

# **A G E N D A** **RĀRANGI TAKE**

## **FINANCE COMMITTEE**

**Monday, 22 April 2024, 10.00am**

Council Chamber  
Hauraki House  
1 William Street  
PAEROA



## Membership

### **Committee Members:**

Cr B Ranchhod - Chairperson  
Deputy Mayor Cr P Milner – Deputy Chairperson  
Cr Mayor D A Adams  
Cr C Daley  
Cr S Crooymans

### **Staff:**

L D Cavers  
D Peddie  
S Baker  
J Hughes

### **Chief Executive**

L D Cavers

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## Finance Committee Delegations:

Membership	Cr. Bhavesh Ranchhod (Chairperson), Deputy Mayor Paul Milner (Deputy Chairperson) Mayor Toby Adams Cr. Carole Daley Cr. Stephen Crooymans
Meeting frequency	Bi-monthly – Monday of week of end of month Council meeting. Commencing at 10.00am.
Quorum	3 members present.
Purpose	<p>The purpose of the Finance Committee is to support the Hauraki District Council carry out its duties regarding financial management, monitoring and reporting, by:</p> <ul style="list-style-type: none"> <li>• seeking reasonable assurance as to the integrity and reliability of the Council’s financial reporting</li> <li>• ensuring that the Council has appropriate financial policies in place.</li> </ul>
Delegations	<p>The Council delegates to the Finance Committee the following responsibilities:</p> <ol style="list-style-type: none"> <li>1. To review in depth, (no less than quarterly) Council’s financial performance statements.</li> <li>2. To oversee the preparation of Council’s funding, financial and rating policies and make recommendations to Council.</li> <li>3. To monitor the Council’s treasury activities to ensure they remain within Council’s policy limits. Where there are good reasons to exceed policy limits that this be recommended to Council.</li> <li>4. To work in conjunction with the Chief Executive and Group Manager Business support to monitor the Council’s handling of rates in arrears and rating sales and ensure the proper application policy and processes.</li> </ol> <p>The Finance Committee can recommend to Council:</p> <ol style="list-style-type: none"> <li>a. Adoption (or otherwise) of Council’s internal financial reports.</li> <li>b. Adoption or non-adoption of completed financial performance statements.</li> <li>c. To write-off outstanding debtor accounts (including rates) when above staff delegations.</li> <li>d. New accounting and reporting requirements.</li> <li>e. Commencement of rating sale proceedings.</li> </ol> <p>The Finance Committee may not delegate any of its responsibilities, duties or powers.</p>

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### ***Ngà Karakia Timatanga (opening)***

(1)

Kia tau te rangimarie  
Kia whakapapa pounamu te moana  
Hei huarahi ma tatou i te rangi nei  
Aroha atu, aroha mai  
Tatou i a tatou katoa  
Hui e! Taiki e!

*May peace be widespread  
May the sea be like greenstone  
A pathway for us all this day  
Let us show respect for each other  
For one another  
Bind us all together!*

(2)

Whakataka te hau ki te uru,  
Whakataka te hau ki te tonga.  
Kia mākinakina ki uta,  
Kia mātaratara ki tai.  
E hī ake ana te atākura he tio,  
he huka, he hauhunga.  
Haumi e! Hui e! Tāiki e!

*Get ready for the westerly  
and be prepared for the southerly.  
It will be icy cold inland,  
and icy cold on the shore.  
May the dawn rise red-tipped on ice,  
on snow, on frost.  
Join! Gather! Intertwine!*

### ***Karakia Whakamutunga (closing)***

Kia whakai-ria te tapu  
Kia wātea ai te ara  
Kia turuki whakataha ai  
Haumi e. Hui e. Tāiki e!

*Restrictions are moved aside  
So the pathways is clear  
To return to everyday activities  
Join Gather Intertwine!*

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## FINANCE COMMITTEE

### AGENDA

Monday, 22 April 2024 – 10.00am

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#### Order of Business

Pages

Meeting opening | Karakia timatanga | Cr. Daley

#### Procedural

1. **Apologies | Ngā Matangaro or Te hunga kāore I tae**

2. **Late Items | Whāki Pānga**

*Items not on the agenda for the meeting require a resolution under section 46A of the Local Government Official Information and Meetings Act 1987 stating the reasons why the item was not on the agenda and why it cannot be dealt with at a subsequent meeting on the basis of a full agenda item.*

3. **Declarations of Interests | Whakapuakitanga Whaipānga**

4. *Members are reminded to declare and stand aside from decision making when a conflict arises between their role as an elected member and any private or other external interest they may have.*

5. **Confirmation of Minutes | Te Whakaū i ngā Meneti**

5.1 Finance Committee (unconfirmed) minutes – 26-02-2024

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6. **Reporting (for decision and information) | Pūrongo me whakatau me ngā kōrero**

6.1 Proposed Work Programme

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6.2 Finance Report (including detailed financials)

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Appendix A – Council Financial Report to 31 March 2024

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6.3 Treasury Report as at 31 March 2024

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6.4 High level Capital Projects Report

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Appendix A – Utilities

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Appendix B – Land Transport

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Appendix C – Community Services

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6.5 Water Meter Reading (to be circulated prior)

7. **Public Excluded Business | Ngā Hui Kāore anō mō te Hāpori**

7.1 Item 1: Finance Committee Action Schedule

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7.2 Item 2: Rates in Arrears

119

Meeting closing | Karakia whakamutunga

**Reasons for Matters to be taken with the Public Excluded**

The public be excluded from the following parts of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

<b>Item No.</b>	<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) Under Section 48(1) for the Passing of this Resolution</b>
<b>1</b>	Finance Committee Action Schedule	<p><b>Section 7(2)(b)(i)</b> - Protect information where the making available of the information: Would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</p>	Section 48(1)(a) That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.
<b>2</b>	Rates in Arrears	<p><b>Section 7(2)(a)</b> – Protect the privacy of natural persons, including that of deceased natural persons.</p> <p><b>Section 7(2)(b)(i)</b> - Protect information where the making available of the information: Would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</p>	Section 48(1)(a) That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.

**HAURAKI DISTRICT COUNCIL****FINANCE COMMITTEE**

MINUTES OF A MEETING OF THE FINANCE COMMITTEE HELD IN THE COUNCIL CHAMBER,  
1 WILLIAM STREET, PAEROA ON MONDAY, 26 FEBRUARY 2024 COMMENCING AT 10.00AM

**PRESENT** Cr B Ranchhod (Chair), Cr P A Milner (Deputy Chair), His Worship the Mayor D A Adams, Cr C Daley and Cr S Croymans

**IN ATTENDANCE** L D Cavers (Chief Executive), D Peddie (Group Manager – Business Support), S Baker (Finance Manager) and C Black (Council Secretary)

**Meeting opening | Karakia timatanga**

Cr Croymans opened the meeting with a karakia.

**APOLOGIES | Te hunga kāore i tae**

There were no apologies.

**LATE ITEMS | Whāki Pānga**

There were no late items.

**CONFIRMATION OF MINUTES | Te Whakau i ngā Meneti**

FINANCE COMMITTEE MINUTES – 12-12-2023 - 3549597

**RESOLVED**

THAT the minutes of the Finance Committee held on Tuesday, 12 December 2023 are confirmed and are a true and correct record.

FC24/01

Adams/Daley

**CARRIED**

**REPORTING | Pūrongo me whakatau**

PROPOSED 2023-24 WORK PROGRAMME - 3585582

The Group Manager – Business Support presented the forward work programme for the Finance Committee for discussion and confirmation.

**RESOLVED**

THAT the Committee receives the report titled Proposed 2023-24 Work Programme, (document number 3585582).

FC24/02

Daley/Adams

**CARRIED**

There were no amendments made to the programme.

**ACTION**

No action required.

FINANCE REPORT (INCLUDING DETAILED FINANCIALS) to 31 JANUARY 2024  
APPENDIX A – COUNCIL FINANCIAL REPORT TO JANUARY 2024

The Finance Manager provided an update on the consideration of other financial information that should be presented to Council.

**RESOLVED**

THAT the Committee receives the report titled Finance Reports 31 January 2024, (document number 3584010).

FC24/03

Crooymans/Daley

**CARRIED**

Members commented on the summaries of each of Council's activities.

Waste Management

Members commented on the notable reduction in waste costs shown in the financials of waste activity.

The Group Manager – Service Delivery responded that the reason for the reduction in costs is lesser waste is going to landfill and with the provision of bins available for separate recycling and food waste; this has reduced overall waste by approx. 43%. Removing the extra weight (food waste) results in lesser need for bins to go out weekly. Residents have become more efficient with managing their waste overall.

Pensioner Housing

Members commented that the Elderly Persons Housing activity costs are over budget.

**ACTION**

No action required.

CAPITAL REPORT FOR THE PERIOD 31 JANUARY 2024  
APPENDIX A – UTILITIES CAPITAL  
APPENDIX B – LAND TRANSPORT CAPITAL  
APPENDIX C – COMMUNITY SERVICES CAPITAL

The Project Managers provided the Committee with an update of the Capital Programme as at December 2023-month end; the activity reports appended included the last three months provided to Service Delivery Managers to include in the activity reporting to Council. The activity reports included project level reporting.

**RESOLVED**

THAT the Committee receives the report titled Capital Reporting for the period 31 January 2024, (document number 3562658).

FC24/04

Daley/Crooymans

**CARRIED**

The Project Manager provided an overview of the capital projects for the period to 31 January 2024. Supported the three monthly reporting to the Finance Committee on capital projects activity stating that programme of reporting is working well.

Members requested that the higher-level capital projects be reported to the Finance Committee every 2 months.

**ACTION**

**Higher-level capital projects are to be reported to the Finance Committee every 2 months.**

**FINANCIAL REPORTING REVIEW – FEBRUARY 2024 UPDATE – 3585551**

The Group Manager – Business Support provided an update on the consideration of other financial information that should be provided to Council.

**RESOLVED**

THAT the Committee receives the report titled Financial Reporting Review, (document number 3585551)

FC24/05

Adams/Crooymans

**CARRIED**

Members were satisfied with the plan reviewing the level and scope of financial information provided to Council.

**ACTION**

No action required.

**TREASURY REPORT AS AT 31 JANUARY 2024**

The Finance Manager updated on the current position of the loan/debt status, against the parameters outlined in the Council's Financial Strategy and Liability Management Policy.

**RESOLVED**

THAT the Committee receives the report titled Treasury report as at 31 January 2024, (document number 3582160).

FC24/06

Daley/Milner

**CARRIED**

The Finance Manager highlighted to the members the effect of change in the 3-waters reform has required hedging more interest rates.

Staff are working with Treasury Advisors, Price Waterhouse Coopers in support of this.

Members acknowledged the debt levels.

**RESOLVED**

THAT the Committee approves noncompliance with the recommended parameters for the fixed/floating interest rates as set out in the Liability Management Policy up to and including the date of the next Committee meeting, as it believes it is prudent to do so for the reasons set out in this paper.

FC24/07

Milner/Daley

**CARRIED****BUSINESS UNITS FINANCIALS TO 31 DECEMBER 2023 – 3587136 (pre-circulated)**

The Group Manager – Business Support, Group Manager – Service Delivery and Manager, Projects and Operations provided information on the year to date financial results for Council's business units.

**RESOLVED**

THAT the Committee receives the report titled Business Units to December (document number 3587136).

FC24/08

Daley/Crooymans

**CARRIED**

Explanations were provided how the business units operate. It was advised that there are recruitment issues across all of the business units. HDC are in the lower third of staff turnover. There has been some challenges in filling positions due to the lack of candidates with the required skill sets.

The CEO explained that the budgets were set using staffing levels at 100%. The ELT have decided budgets should be set with staffing levels at 90%, and have revised the charge-out rates on that basis.

**ACTION**

No action required.

**Reasons for Matters to be taken with the Public Excluded**

**RESOLVED**

THAT the public be excluded from the following parts of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

<b>Item No.</b>	<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) Under Section 48(1) for the Passing of this Resolution</b>
1	Finance Committee Action Schedule	<p><b>Section 7(2)(b)(i)</b> - Protect information where the making available of the information: Would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</p>	Section 48(1)(a) That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.
2	Rates in Arrears	<p><b>Section 7(2)(a)</b> – Protect the privacy of natural persons, including that of deceased natural persons. <b>Section 7(2)(b)(i)</b> - Protect information where the making available of the information: Would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</p>	Section 48(1)(a) That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.

FC24/09

Crooymans/Milner

**CARRIED**

confidential pages 12 and 13 have been removed

**RESOLVED**

THAT the public be re-admitted to the meeting and that the business in committee discussed be confirmed.

FC24/14

Croymans/Adams

**CARRIED**

**Meeting closing | Karakia whakamutunga**

Cr Croymans closed the meeting with a karakia at 11.13am.

CONFIRMED

B Ranchhod  
Chairperson

22 April 2024

unconfirmed



## FOR INFORMATION NGĀ MŌHIOTANGA



To Finance Committee

Author Duncan Peddie  
Group Manager Business Support

Meeting date 22 April 2024

File reference Document: 3612925

Subject **Proposed Work Programme**

### 1 TE WHAIKUPU | RECOMMENDATIONS

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THAT the Committee

- a) Receives the report titled Finance Committee – Proposed Work Programme, (document number 3612925).

### 2 TE WHAKARĀPOPOTANGA | SUMMARY

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An annual work programme is a necessary tool that enables the Committee to fulfil the obligations placed on it through its terms of reference.

The programme is a live document that is regularly modified to reflect the ever-changing challenges and environment within which the organisation operates.

### 3 TE ARONGA | PURPOSE

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The purpose of this report is to present a forward work programme for the Finance Committee for discussion and confirmation.

This is a standing item on the Committee's agenda. The Committee is welcome to make comment to or revise the programme as required.

### 4 WHAKAPAPA | BACKGROUND AND CONTEXT

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The Terms of reference for the Committee was approved by Council on 9 November 2022. The Finance Committee Terms of Reference are included at the start of the agenda.

## 5 PROPOSED WORK PROGRAMME

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The audit committee is a senior board committee with 'frontline' governance responsibilities from financial reporting to corporate reporting, and treasury and debtor management.

As such, the committee needs an annual work programme. The programme enables the committee to plan activities and meeting agendas in detail per financial year. The programme is a live document that is to be regularly modified to reflect the ever-changing challenges and environment within which the organisation operates.

The proposed work programme contained in **Appendix A**.

## 6 COMMITTEE CHAIR CONTACT

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Since the last meeting, the chair has had discussions with the Group Manager Business Support.

## 7 TE ARA KI MUA | NEXT ACTIONS

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The table below sets out the next key steps:

Action	Responsibility	By When
Staff will update the proposed work programme and action schedule for any changes requested by the Committee.	Finance Manager	24 June 2024

## 8 WHAKAPAI | APPROVAL

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Prepared by	Steve Baker <b>Finance Manager</b>
Reviewed by	Duncan Peddie <b>Group Manager Business Support</b>
Approved by	Duncan Peddie <b>Group Manager Business Support</b>

## APPENDIX A: Finance Committee – Proposed work programme 2023/24

<b>Meeting date</b>	<b>Agenda items</b>	<b>Standing agenda items for every meeting</b>
February 2023	<ul style="list-style-type: none"> <li>Meeting cancelled</li> </ul>	<ul style="list-style-type: none"> <li>Action Schedule</li> <li>Treasury Report</li> <li>Financial Report Review</li> <li>Overheads and Property Reporting</li> <li>Business Unit Reporting</li> <li>Rates Arrears Report</li> </ul>
April 2023	<ul style="list-style-type: none"> <li>LGFA Covenant</li> <li>Liability &amp; Investment Management Policy Review</li> </ul>	
June 2023	<ul style="list-style-type: none"> <li>Council Capital Report Review</li> </ul>	
August 2023	<ul style="list-style-type: none"> <li>LGFA Statement of Intent</li> <li>Financial reporting review – Cumulative Rating/Debt Resolution Impact</li> </ul>	
October 2023	<ul style="list-style-type: none"> <li></li> </ul>	
December 2023	<ul style="list-style-type: none"> <li>Overheads and Property Reporting</li> </ul>	
February 2024	<ul style="list-style-type: none"> <li>Overheads and Property Reporting</li> <li>Business Unit Reporting</li> </ul>	
April 2024	<ul style="list-style-type: none"> <li>Overheads and Property Reporting</li> <li>Business Unit Reporting</li> </ul>	
June 2024	<ul style="list-style-type: none"> <li>Debt reporting</li> <li>Debtors &amp; rates balances month by month TY + 2 previous years</li> </ul>	
Future	<ul style="list-style-type: none"> <li>Full Revenue and Expenditure Statement and Balance Sheet (possibly by June but unlikely to be achievable)</li> </ul>	

## FOR INFORMATION NGĀ MŌHIOTANGA



To Finance Committee

Author Duncan Peddie  
Group Manager Business Support

Meeting date 22 April 2024

File reference Document: 3612118  
Appendix A: Council Financial Report March 2024 - 3612736

Subject **Finance Reports 31 March 2024**

### 1 TE WHAIKUPU | RECOMMENDATIONS

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THAT the Committee

- a) Receives the report titled **Finance Reports 31 March 2024**, (document number 3612118).

### 2 TE ARONGA | PURPOSE

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The purpose of this report is to provide the Committee the opportunity to review the Council Finance report together with a more detailed operating report along with reports requested.

The Committee is requested to review the information in these reports, and any changes will be included in an amended report to council.

### 3 WHAKAPAPA | BACKGROUND AND CONTEXT

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The Terms of Reference for the Committee were approved by Council on 9 November 2022. One of the Committee's tasks is to review Council's internal financial reports before the council considers them.

### 4 DETAILED FINANCIAL REPORTS

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A detailed operating financial report covering the Council's Groups of Activities is provided below.

This covers the Cost of Service Statements that make up the Operating Financial Report that is presented to council, but includes financial details at the sub-activity level, which is tier lower than what is presented to council. This is provided to provide context to the Council Financial Report. Appendix A includes the Overall Financial Report that is provided to Council, including the Groups of Activities operating summaries, and the debt information.

<b>Summary for the 9 months ended 31 March 2024</b>					
	<b>YTD Actual (\$ 000's)</b>	<b>YTD Budget (\$ 000's)</b>	<b>% of YTD Budget</b>	<b>YTD Variance (\$ 000's)</b>	<b>Annual Budget (\$ 000's)</b>
<i>Expenditure</i>					
Leadership	3,187	3,163	100.8%	(24)	4,607
Networks	27,082	26,653	101.6%	(429)	37,023
Community Services	6,444	6,165	104.5%	(279)	8,896
Community Development	1,434	1,499	95.7%	65	1,949
Regulatory	4,145	4,135	100.2%	(10)	5,518
<b>Total Cost of Service</b>	<b>42,292</b>	<b>41,615</b>	<b>101.6%</b>	<b>(677)</b>	<b>57,993</b>
<i>Less Revenue (Excluding Capital)</i>					
Leadership	(303)	(326)	93.1%	(23)	(434)
Networks	(5,230)	(5,376)	97.3%	(146)	(7,710)
Community Services	(804)	(673)	119.4%	131	(888)
Community Development	(271)	(376)	72.1%	(105)	(501)
Regulatory	(1,495)	(1,880)	79.5%	(385)	(2,401)
<b>Total Revenue</b>	<b>(8,103)</b>	<b>(8,631)</b>	<b>93.9%</b>	<b>(528)</b>	<b>(11,934)</b>
<b>Net Cost of Service (Excl. Capital)</b>	<b>34,190</b>	<b>32,984</b>	<b>103.7%</b>	<b>(1,206)</b>	<b>46,059</b>
<i>Less Revenue (Capital only)</i>					
Networks	(1,611)	(2,379)	67.7%	(767)	(2,873)
<b>Total Revenue</b>	<b>(1,611)</b>	<b>(2,379)</b>	<b>67.7%</b>	<b>(767)</b>	<b>(2,873)</b>
<b>Net Cost of Service</b>	<b>32,578</b>	<b>30,605</b>	<b>106.4%</b>	<b>(1,973)</b>	<b>43,186</b>

## Summary of Leadership for the 9 months ended 31 March 2024

	YTD Actual (\$ 000's)	YTD Budget (\$ 000's)	% of YTD Budget	YTD Variance (\$ 000's)	Annual Budget (\$ 000's)
<b>Expenditure</b>					
Democracy	1,736	1,739	99.8%	3	2,487
Iwi Liaison	176	182	96.3%	7	249
Policy Development	1,276	1,242	102.7%	(33)	1,871
<b>Total Cost of Service</b>	<b>3,187</b>	<b>3,163</b>	<b>100.8%</b>	<b>(24)</b>	<b>4,607</b>
<b>Less Revenue</b>					
Democracy	(3)	0	0.0%	3	0
Iwi Liaison	(68)	(95)	71.0%	(28)	(127)
Policy Development	(233)	(231)	100.9%	2	(307)
<b>Total Revenue</b>	<b>(303)</b>	<b>(326)</b>	<b>93.1%</b>	<b>(23)</b>	<b>(434)</b>
<b>Net Cost of Service</b>	<b>2,884</b>	<b>2,838</b>	<b>101.6%</b>	<b>(47)</b>	<b>4,173</b>

### Democracy for the 9 months ended 31 March 2024

	YTD Actual (\$ 000's)	YTD Budget (\$ 000's)	% of YTD Budget	YTD Variance (\$ 000's)	Annual Budget (\$ 000's)
<b>Expenses</b>					
Democracy	1,736	1,739	99.8%	3	2,487
<b>Total Cost of Service</b>	<b>1,736</b>	<b>1,739</b>	<b>99.8%</b>	<b>3</b>	<b>2,487</b>
<b>Less Revenue</b>					
Democracy Income	(3)	0	0.0%	3	0
<b>Total Revenue</b>	<b>(3)</b>	<b>0</b>	<b>0.0%</b>	<b>3</b>	<b>0</b>
<b>Net Cost of Service</b>	<b>1,733</b>	<b>1,739</b>	<b>99.7%</b>	<b>6</b>	<b>2,487</b>

Iwi Liaison for the 9 months ended 31 March 2024

	YTD Actual (\$ 000's)	YTD Budget (\$ 000's)	% of YTD Budget	YTD Variance (\$ 000's)	Annual Budget (\$ 000's)
<i>Expenses</i>					
Iwi Liaison	176	182	96.3%	7	249
<b>Total Cost of Service</b>	<b>176</b>	<b>182</b>	<b>96.3%</b>	<b>7</b>	<b>249</b>
<i>Less Revenue</i>					
<sup>1</sup> Iwi Liaison Income	(68)	(95)	71.0%	(28)	(127)
<b>Total Revenue</b>	<b>(68)</b>	<b>(95)</b>	<b>71.0%</b>	<b>(28)</b>	<b>(127)</b>
<b>Net Cost of Service</b>	<b>108</b>	<b>87</b>	<b>123.8%</b>	<b>(21)</b>	<b>122</b>

**Notes to Report:**

<sup>1</sup> This revenue is linked to expenditure incurred in the better off project for developing a partnership model with Hauraki Iwi, specifically for the Assistant Maori Liaison Officer role which is \$28k less than budget.

Policy Development for the 9 months ended 31 March 2024

	YTD Actual (\$ 000's)	YTD Budget (\$ 000's)	% of YTD Budget	YTD Variance (\$ 000's)	Annual Budget (\$ 000's)
<i>Expenses</i>					
<sup>2</sup> RMA Policy	454	428	106.2%	(27)	644
Strategic Planning	821	814	100.9%	(7)	1,227
<b>Total Cost of Service</b>	<b>1,276</b>	<b>1,242</b>	<b>102.7%</b>	<b>(33)</b>	<b>1,871</b>
<i>Less Revenue</i>					
Policy Development Income	(233)	(231)	100.9%	2	(307)
<b>Total Revenue</b>	<b>(233)</b>	<b>(231)</b>	<b>100.9%</b>	<b>2</b>	<b>(307)</b>
<b>Net Cost of Service</b>	<b>1,043</b>	<b>1,012</b>	<b>103.1%</b>	<b>(31)</b>	<b>1,563</b>

**Notes to Report:**

<sup>2</sup> Conservation Initiatives (Donations and Grants) over budget by \$24k, however additional budget of \$44,532 was carried forward from 2022/23 (Council Resolution C23/314).

## Summary of Networks for the 9 months ended 31 March 2024

	YTD Actual (\$ 000's)	YTD Budget (\$ 000's)	% of YTD Budget	YTD Variance (\$ 000's)	Annual Budget (\$ 000's)
<i>Expenditure</i>					
Land Drainage	931	1,046	89.0%	115	1,477
Roading	9,791	10,025	97.7%	234	14,029
Waste Management	3,324	2,967	112.1%	(358)	4,102
Stormwater	822	796	103.3%	(26)	1,110
Wastewater	3,576	3,280	109.0%	(297)	4,424
Water	8,570	8,559	100.1%	(10)	11,881
<b>Total Cost of Service</b>	<b>27,015</b>	<b>26,673</b>	<b>101.3%</b>	<b>(342)</b>	<b>37,023</b>
<i>Less Revenue (Excl. Capital)</i>					
Roading	(3,294)	(3,389)	97.2%	(95)	(4,795)
Waste Management	(1,353)	(1,843)	73.4%	(491)	(2,425)
Stormwater	(6)	(29)	19.9%	(23)	(39)
Wastewater	(150)	(115)	130.8%	35	(451)
Water	(427)	0	0.0%	427	0
<b>Total Revenue</b>	<b>(5,230)</b>	<b>(5,376)</b>	<b>97.3%</b>	<b>(146)</b>	<b>(7,710)</b>
<b>Net Cost of Service (Excl. Capital)</b>	<b>21,785</b>	<b>21,296</b>	<b>102.3%</b>	<b>(488)</b>	<b>29,313</b>
<i>Less Revenue (Capital)</i>					
Roading	(1,269)	(1,922)	66.1%	(652)	(2,562)
Solid Waste					
Stormwater	0	0	0.0%	0	0
Wastewater	(170)	(224)	75.9%	(54)	0
Water	(172)	(233)	73.8%	(61)	(311)
<b>Total Revenue</b>	<b>(1,611)</b>	<b>(2,379)</b>	<b>67.7%</b>	<b>(767)</b>	<b>(2,873)</b>
<b>Net Cost of Service</b>	<b>20,173</b>	<b>18,917</b>	<b>106.6%</b>	<b>(1,256)</b>	<b>26,440</b>

### Land Drainage for the 9 months ended 31 March 2024

	YTD Actual (\$ 000's)	YTD Budget (\$ 000's)	% of YTD Budget	YTD Variance (\$ 000's)	Annual Budget (\$ 000's)
<i>Expenses</i>					
Depreciation	273	273	100.0%	0	364
1 Floodgates	46	26	174.2%	(19)	35
Interest	(88)	(88)	100.0%	0	(118)
2 Maintenance/Fencing/Culverts	3	13	19.7%	10	17
3 Mechanical Cleaning	124	203	60.9%	80	271
Other	40	44	91.9%	4	92
Overheads	243	243	100.0%	0	324
4 Pumps	195	235	83.0%	40	311
Vegetation Control	97	98	99.0%	1	181
<b>Total Cost of Service</b>	<b>931</b>	<b>1,046</b>	<b>89.0%</b>	<b>115</b>	<b>1,477</b>
<b>Net Cost of Service</b>	<b>931</b>	<b>1,046</b>	<b>89.0%</b>	<b>115</b>	<b>1,477</b>

#### Notes to Report:

- Reactive Repairs are 19k over budget, mainly relating to repairing some flapgates at Taramaire (\$14.5k). Historically, the inspection programme in this area was largely left to the locals to report issues they noted to help keep costs down. The drainage committee requested staff undertake an inspection and this work was the result. There is now a routine inspection of these floodgates by staff that should pick up any condition issues in the future.
- Maintenance/Fencing/Culverts is \$10k under budget. These costs are mainly reactive in nature and have not yet been needed. We are not expecting any significant costs in this expenditure line and expecting this to come under budget at year end.
- Mechanical cleaning under budget by \$80k. We are expecting total costs to be approximately \$200k by year end and be about \$70k under budget. There has been approximately \$60k of emergency work in Karito and Hot Springs Channels, however, overall we are expecting to come under budget due to more mechanical cleaning occurring in the previous year due to the cyclone, therefore less needed this year and also we don't have some resource consents in the western plains and therefore unable to do cleaning in that area.
- Electricity costs currently \$54k under budget. This is due to below average rainfall this year to date and therefore pumps have been running less and therefore less electricity costs. Expenditure is likely to come under budget this year, however this will depend on the rainfall over the next 3



## Roading for the 9 months ended 31 March 2024

	YTD Actual (\$ 000's)	YTD Budget (\$ 000's)	% of YTD Budget	YTD Variance (\$ 000's)	Annual Budget (\$ 000's)
<i>Expenses</i>					
Amenity	95	97	98.2%	2	169
Carriageways and Bridges	4,045	4,048	99.9%	3	5,851
Depreciation	3,443	3,443	100.0%	0	4,590
5 Footpath Maintenance	88	70	125.9%	(18)	93
6 Lighting	392	239	164.5%	(154)	318
7 Network Management	826	1,145	72.1%	319	1,527
Roading Interest	368	368	100.0%	(0)	491
8 Other	533	615	86.7%	82	990
<b>Total Cost of Service</b>	<b>9,791</b>	<b>10,025</b>	<b>97.7%</b>	<b>234</b>	<b>14,029</b>
<i>Less Revenue (Operating)</i>					
9 Roading Income	(3,294)	(3,389)	97.2%	(95)	(4,795)
<b>Total Revenue</b>	<b>(3,294)</b>	<b>(3,389)</b>	<b>97.2%</b>	<b>(95)</b>	<b>(4,795)</b>
<b>Net Cost of Service (Excl. Capital)</b>	<b>6,497</b>	<b>6,636</b>	<b>97.9%</b>	<b>138</b>	<b>9,234</b>
10 Roading Income - Capital	(1,269)	(1,922)	66.1%	(652)	(2,562)
<b>Net Cost of Service</b>	<b>5,228</b>	<b>4,714</b>	<b>110.9%</b>	<b>(514)</b>	<b>6,672</b>

Notes to Report:

- 5 Footpath maintenance over budget by \$18k. Likely to be over budget this year, however, we are holding back some work to try and minimise the overspend.
- 6 Lighting costs are (\$154k) over budget. Due to weather and an declining asset performance we are seeing significantly more faults than anticipated, there will be ongoing charges for inspections and more faults to occur in the wetter months.
- 7 Operating costs are \$319k under budget. Due to some staff vacancies this has caused a decrease in expenditure. Now that there is a full staff on board spending in this area will pick up, but likely to still be under budget by year end. Planning on being under budget in this expenditure line to offset overspends in Footpath maintenance and Lighting costs.
- 8 Hauraki Community Connections is \$82k under budget. Is likely to only have a small amount of project management spend on it this financial year and should continue into next year.
- 9 Government Subsidies on Operating are tracking \$95k behind budget, due to the current costs being under budget and therefore not claimed from Waka Kotahi.
- 10 Government subsidies on Capital are \$597k under budget, more work is expected to be completed over the coming months which will increase this revenue. Development Contributions behind budget by \$55k.

## Waste Management for the 9 months ended 31 March 2024

	YTD Actual (\$ 000's)	YTD Budget (\$ 000's)	% of YTD Budget	YTD Variance (\$ 000's)	Annual Budget (\$ 000's)
<i>Expenses</i>					
Kerbside Collection	1,587	1,582	100.4%	(6)	2,175
11 Landfill Aftercare	129	87	148.5%	(42)	127
12 Transfer Stations	1,425	1,118	127.5%	(307)	1,560
Waste Minimisation	183	180	101.6%	(3)	240
<b>Total Cost of Service</b>	<b>3,324</b>	<b>2,967</b>	<b>112.1%</b>	<b>(358)</b>	<b>4,102</b>
<i>Less Revenue</i>					
13 Kerbside Collection	(638)	(1,068)	59.7%	(431)	(1,425)
Landfill Aftercare	0	0	0.0%	0	0
14 Transfer Stations	(479)	(675)	70.9%	(196)	(900)
15 Waste Minimisation	(236)	(100)	236.3%	136	(100)
<b>Total Revenue</b>	<b>(1,353)</b>	<b>(1,843)</b>	<b>73.4%</b>	<b>(491)</b>	<b>(2,425)</b>
<b>Net Cost of Service</b>	<b>1,971</b>	<b>1,123</b>	<b>175.5%</b>	<b>(848)</b>	<b>1,678</b>

Notes to Report:

- 11 Routine maintenance and consent monitoring are \$54k over budget. This is due to additional costs due to extended monitoring required at the Waihi closed landfill site following a leachate issue occurring. Partially offset by reactive repairs \$7k under budget.
- 12 Operating costs \$335k over budget due to some additional start up costs. Council approved an additional budget for the transfer stations of \$174k for increases in staff costs (C23/232 2/8/23) and additional \$40k to complete the transition and mobilisation activities (C23/223 2/8/23). Slightly offset by routine maintenance under budget by \$11k.
- 13 Kerbside rubbish collection fees currently behind budget due to our calculations being based on a 80% presentation rate (how many bins are put out). However, the current presentation rate is 45% since 1 September 2023, therefore our income is less than anticipated.
- 14 User Fees and Charges behind budget by \$196k due to disposal fees being less than anticipated.
- 15 The MFE Levy is \$136k more than budgeted.

Stormwater for the 9 months ended 31 March 2024

	YTD Actual (\$ 000's)	YTD Budget (\$ 000's)	% of YTD Budget	YTD Variance (\$ 000's)	Annual Budget (\$ 000's)
<i>Expenses</i>					
Depreciation	388	388	100.0%	0	518
Floodgates	6	1	674.7%	(5)	1
Interest	(57)	(57)	100.0%	0	(77)
Maintenance/Fencing/Culverts	3	7	34.9%	5	10
Mechanical Cleaning	15	16	92.9%	1	22
Other	143	148	96.2%	6	246
Overheads	219	219	100.0%	0	292
Pumps	6	8	76.7%	2	11
16 Reticulation	90	42	215.1%	(48)	56
17 Vegetation Control	10	23	42.4%	13	31
<b>Total Cost of Service</b>	<b>822</b>	<b>796</b>	<b>103.3%</b>	<b>(26)</b>	<b>1,110</b>
<i>Less Revenue (Operating)</i>					
18 Income	(6)	(29)	19.9%	(23)	(39)
<b>Total Revenue</b>	<b>(6)</b>	<b>(29)</b>	<b>19.9%</b>	<b>(23)</b>	<b>(39)</b>
<b>Net Cost of Service (excl Capital)</b>	<b>816</b>	<b>767</b>	<b>106.4%</b>	<b>(49)</b>	<b>1,072</b>
Income (Capital)	0	0	0.0%	0	0
<b>Net Cost of Service (incl Capital)</b>	<b>816</b>	<b>767</b>	<b>106.4%</b>	<b>(49)</b>	<b>1,072</b>

Notes to Report:

- 16 Reactive Repairs \$30k over budget, Reactive Inspections \$8k over budget, Routine Inspections \$6k over budget due to post cyclone repairs and a wet winter.
- 17 Vegetation Control currently \$13k under budget. Currently looking into whether we can underspend to offset against overspend in reticulation repairs.
- 18 Development contributions \$23k less than expected.

## Wastewater for the 9 months ended 31 March 2024

	YTD Actual (\$ 000's)	YTD Budget (\$ 000's)	% of YTD Budget	YTD Variance (\$ 000's)	Annual Budget (\$ 000's)
<i>Expenses</i>					
Depreciation	1,033	1,033	100.0%	0	1,403
Fixed Costs	177	185	95.6%	8	241
Interest	403	403	100.0%	(0)	537
Major Maintenance	2	2	100.0%	(0)	19
19 Other	91	123	73.6%	33	178
Overheads	592	592	100.0%	0	790
20 Pumpstations	280	225	124.3%	(55)	300
21 Reticulation	170	122	139.8%	(48)	163
22 Treatment	829	595	139.3%	(234)	793
<b>Total Cost of Service</b>	<b>3,576</b>	<b>3,280</b>	<b>109.0%</b>	<b>(297)</b>	<b>4,424</b>
<i>Less Revenue (Operating)</i>					
23 Wastewater Income	(150)	(115)	130.8%	35	(451)
<b>Total Revenue</b>	<b>(150)</b>	<b>(115)</b>	<b>130.8%</b>	<b>35</b>	<b>(451)</b>
<b>Net Cost of Service (excluding Capital)</b>	<b>3,426</b>	<b>3,165</b>	<b>108.3%</b>	<b>(261)</b>	<b>3,972</b>
24 Wastewater Income (Capital)	(170)	(224)	75.9%	(54)	0
<b>Net Cost of Service</b>	<b>3,256</b>	<b>2,941</b>	<b>110.7%</b>	<b>(315)</b>	<b>3,972</b>

Notes to Report:

- 19 Operating costs \$41k under budget, mainly relating to other professional fees. We are expecting to not fully utilise this budget to offset against other overspends. This is partially offset by Pest control \$15k over budget due to higher levels of bird removal from effluent ponds than expected.
- 20 Reactive repairs running ahead of budget \$25k; with \$24k in Ngatea, \$19k in Turua and \$4k in Paeroa, offset by an underspend in Whiritoa of \$8k, Waihi of \$8k and Kerepehi \$3k. There is also an overspent in routine maintenance of \$41k; with \$23k in Waihi and \$20k in Whiritoa. These are due to a increase in the amount of faults that were expected. This is slightly offset by a \$11k pump operation budget not yet used.  
We are expecting to be over budget in this expenditure line.
- 21 Reactive repairs running ahead of budget \$16k with - \$12k in Whiritoa, \$11k in Ngatea, partially offset by \$4k in Paeroa and \$3k in Turua being under budget. Reactive Inspections/Investigations \$18k over budget. This related to a higher level of faults identified requiring repairs than expected. Routine maintenance in Paeroa is also over budget by \$12k.  
We are expecting to be over budget in this expenditure line.
- 22 Reactive Repairs more than budget \$93k (Waihi \$27k, Paeroa \$23k, Whiritoa \$15k, Kerepehi \$12k, Ngatea \$8k, Waitakaruru \$5k, Turua \$3k). This related to a higher level of faults identified requiring repairs than expected.  
Chemicals more than budget by \$58k, this budget was not increased from the previous year and cost escalations have caused this to go over budget.  
Routine Monitoring \$56k over budget due to higher levels of monitoring completed by Colab. This is due to a higher quantity of testing and higher rates charged by Colab. Rates are forecasted to increase 1st of April.  
Operating costs \$20k over budget. Due to hire of diesel pump for Whiritoa WWTP not budgeted for.  
  
We are expecting to be over budget in this expenditure line.
- 23 User Fees and Charges tracking ahead of budget by \$35k.
- 24 DC's tracking behind budget \$54k.

## Water for the 9 months ended 31 March 2024

	YTD Actual (\$ 000's)	YTD Budget (\$ 000's)	% of YTD Budget	YTD Variance (\$ 000's)	Annual Budget (\$ 000's)
<i>Expenses</i>					
	1,719	1,719	100.0%	0	2,300
26 Fixed Costs	222	236	94.2%	14	326
27 Headworks	413	563	73.3%	150	1,200
	1,107	1,107	100.0%	0	1,476
28 Major Maintenance	22	773	2.8%	751	1,031
29 Other	248	356	69.5%	109	475
	1,239	1,239	100.0%	0	1,652
30 Pumpstations	73	58	124.9%	(14)	78
31 Reticulation	1,313	767	171.1%	(545)	1,023
32 Treatment	2,129	1,741	122.3%	(388)	2,321
<b>Total Cost of Service</b>	<b>8,483</b>	<b>8,559</b>	<b>99.1%</b>	<b>77</b>	<b>11,881</b>
<i>Less Revenue</i>					
33 Water Income	(212)	0	0.0%	212	-
<b>Total Revenue</b>	<b>(212)</b>	<b>0</b>	<b>0.0%</b>	<b>212</b>	<b>-</b>
<b>Net Cost of Service</b>	<b>8,271</b>	<b>8,559</b>	<b>96.6%</b>	<b>289</b>	<b>11,881</b>
<b>Transitional costs/revenue for the 9 months ended 31 March 2024</b>					
34 3 Waters Transition Expenses	87	0	0.0%	(87)	-
35 3 Waters Transition Revenue	(215)	0	0.0%	215	-
<b>Nett of Transition transactions</b>	<b>(128)</b>	<b>0</b>	<b>0.0%</b>	<b>128</b>	<b>-</b>
<b>Net Cost of Service</b>	<b>8,142</b>	<b>8,559</b>	<b>95.1%</b>	<b>417</b>	<b>11,881</b>
36 Water Income (Capital)	(172)	(233)	73.8%	(61)	(311)
<b>Net Cost of Service (incl Capital)</b>	<b>7,970</b>	<b>8,326</b>	<b>95.7%</b>	<b>356</b>	<b>11,570</b>

Notes to Report:

- 26 Property rates under budget by \$14k.
- 27 Asset Disposal/Decommissioning Costs budget of \$277k has not yet been used. We are currently looking into if we can defer this work to a later date in order to use this budget underspend to offset against other Water overspends.  
Slightly offset by reactive repairs over budget by \$55k (Waihi (Walmsley River) \$25k, Paeroa (Waitawheta River) \$21k and Waihi (Ohin River) \$12k) and Routine monitoring \$76k over budget.
- 28 There is a desludging budget of \$744k which has not yet used. We are currently looking into deferring some of this work in order to come under budget to offset against other budget overspends.
- 29 Operating costs are \$68k under budget, mainly relating to professional fees being under budget and communication costs \$40k under budget. We are looking to go under budget in this area to offset against other budget overspends.
- 30 Reactive repairs \$15k over budget (Pipiroa \$8k, \$3k Kaimanawa and \$2k Mackaytown) due to more faults than anticipated. Likely to go slightly over budget in this expense line at year end.
- 31 Reactive repairs more than budget \$447k (Waihi \$160k, Paeroa \$148k, Plains \$72k, Ohinemuri \$38k, Karangahake \$18k, Waikino \$18k) due to a greater number of faults than expected;  
Other costs over budget include: Routine Monitoring \$46k (\$21k Plains, \$11k Waikino, \$8k Kaimanawa and \$4k Ohinemuri), Routine Maintenance \$30k, Reactive Inspections \$14k and Mains Cleaning \$8k over budget.  
We are looking at underspending in some other expenditure lines within the Water activity to offset the overspend in the Reticulation expenditure line.
- 32 Reactive repairs \$149k over budget (Kerepehi \$65k, Waitakaruru \$56k, Waihi \$18k and Paeroa \$9k) due to a greater number of faults than anticipated, this has also caused an increase in Personnel costs \$107k over budget as there has been a higher amount of overtime due to callouts relating to these faults.  
Chemicals are \$104k over budget due to higher cost escalations than anticipated and also a higher usage due to weather;  
Operating costs \$93k over budget due to \$81k of diesel generator hire, due to the existing generator breaking down. New generator should be installed in April leaving additional costs for April to be approx \$15k to \$20k;  
This is partially offset by Routine Monitoring under budget by \$53k.
- We are looking at underspending in some other expenditure lines within the Water activity to offset the overspend in the Treatment expenditure line.
- 33 Grants and subsidy income and cost recoveries of \$212k not budgeted.
- 34 Expenses to be claimed and will net Zero following claims submitted
- 35 We have invoiced DIA for two tranches of transitioning funding.

## Summary of Community Services for the 9 months ended 31 March 2024

	YTD Actual (\$ 000's)	YTD Budget (\$ 000's)	% of YTD Budget	YTD Variance (\$ 000's)	Annual Budget (\$ 000's)
<i>Expenditure</i>					
Community Facilities	1,796	1,632	110.1%	(164)	2,478
Recreation	4,648	4,533	102.5%	(115)	6,418
<b>Total Cost of Service</b>	<b>6,444</b>	<b>6,165</b>	<b>104.5%</b>	<b>(279)</b>	<b>8,896</b>
<i>Less Revenue</i>					
Community Facilities	(622)	(524)	118.7%	98	(699)
Recreation	(182)	(149)	122.1%	33	(189)
<b>Total Revenue</b>	<b>(804)</b>	<b>(673)</b>	<b>119.4%</b>	<b>131</b>	<b>(888)</b>
<b>Net Cost of Service</b>	<b>5,641</b>	<b>5,492</b>	<b>102.7%</b>	<b>(148)</b>	<b>8,008</b>

### Community Facilities for the 9 months ended 31 March 2024

	YTD Actual (\$ 000's)	YTD Budget (\$ 000's)	% of YTD Budget	YTD Variance (\$ 000's)	Annual Budget (\$ 000's)
<i>Expenses</i>					
Cemeteries	389	384	101.2%	(4)	518
Community Halls	180	178	101.5%	(3)	353
Interest	285	285	100.0%	(0)	380
1 Pensioner Housing	420	331	126.8%	(89)	552
2 Public Toilets	511	435	117.4%	(76)	653
Rural Halls	11	19	59.8%	8	21
<b>Total Cost of Service</b>	<b>1,796</b>	<b>1,632</b>	<b>110.1%</b>	<b>(164)</b>	<b>2,478</b>
<i>Less Revenue</i>					
Cemeteries	(58)	(67)	86.3%	(9)	(89)
Community Halls	(27)	(26)	106.8%	2	(34)
Pensioner Housing	(434)	(427)	101.8%	8	(569)
Interest	0	0	0.0%	0	0
3 Public Toilets	(101)	(5)	1984.3%	96	(7)
Rural Halls	(2)	0	0.0%	2	0
<b>Total Revenue</b>	<b>(622)</b>	<b>(524)</b>	<b>118.7%</b>	<b>98</b>	<b>(699)</b>
<b>Net Cost of Service</b>	<b>1,174</b>	<b>1,108</b>	<b>106.0%</b>	<b>(66)</b>	<b>1,779</b>

#### Notes to Report:

1 Implementing the SUIP regime saw rates attributable to Pensioner housing almost double (\$60k more than budget). Mowing costs are also \$16k over budget partially due to higher traffic management costs.

Reactive repairs over budget by (\$55k) due to many unforeseen repairs at our facilities this financial year. There have been quite a few issues with our Exeloo toilet (replacement of dispensers, doors etc.), with our exeloo facilities, they are quite specialised with parts/repairs and we have spent about \$10k on these facilities which are Pioneer Park, Ohinemuri Park, Gilmour Reserve and Whiritoa Sports Reserve.

2 We also had to re-surface the floors at both Pohutukawa Reserve and Haszard St due to vandalism with a cost of approx. \$5k. There have also been extensive repairs at Victoria Park and Paeroa Domain at approx. \$9k. Waste Disposal fees also \$9k over budget due to due to many instances of blockages at both Waharau Dump Station and Kaiua toilets with the septic systems needing to be pumped out. Routine Support/Maintenance also \$\$12k over budget due to greater numbers of water deliveries than expected.

3 \$98k received fro MBIE for the Patetonga capital project, not budgeted for.

Recreation for the 9 months ended 31 March 2024

	YTD Actual (\$ 000's)	YTD Budget (\$ 000's)	% of YTD Budget	YTD Variance (\$ 000's)	Annual Budget (\$ 000's)
<i>Expenses</i>					
	988	997	99.1%	9	1,466
4	1,649	1,530	107.8%	(119)	2,118
	84	84	100.0%	0	94
	553	550	100.5%	(3)	770
	563	558	100.9%	(5)	819
	726	722	100.5%	(4)	933
	86	92	92.7%	7	217
<b>Total Cost of Service</b>	<b>4,648</b>	<b>4,533</b>	<b>102.5%</b>	<b>(115)</b>	<b>6,418</b>
<i>Less Revenue</i>					
5	(62)	(92)	68.0%	(29)	(122)
	(30)	(21)	144.4%	9	(28)
	0	0	0.0%	0	0
6	(40)	0	0.0%	40	0
	(5)	(1)	499.9%	4	(1)
7	(37)	(27)	138.0%	10	(27)
	(7)	(8)	87.2%	(1)	(11)
<b>Total Revenue</b>	<b>(182)</b>	<b>(149)</b>	<b>122.1%</b>	<b>33</b>	<b>(189)</b>
<b>Net Cost of Service (Excl Capital)</b>	<b>4,467</b>	<b>4,384</b>	<b>101.9%</b>	<b>(82)</b>	<b>6,229</b>
Rec Reserves Income - Capital	0	0	0	0	0
<b>Net Cost of Service</b>	<b>4,467</b>	<b>4,384</b>	<b>101.9%</b>	<b>(82)</b>	<b>6,229</b>

**Notes to Report:**

- 4 Mowing costs \$125k over budget. This is due to mowing needing to be done at least fortnightly across the district due to high rates of grass growth. There is also the added cost of traffic management as it is now required for any roadside mowing.
- 5 Development Contributions down \$29k under budget.
- 6 Government Subsidy of \$40k received which was not budgeted for.
- 7 Admission Fees \$8k ahead of budget.

## Summary of Community Development for the 9 months ended 31 March 2024

### Manaaki Toiora for the 9 months ended 31 March 2024

	YTD Actual (\$ 000's)	YTD Budget (\$ 000's)	% of YTD Budget	YTD Variance (\$ 000's)	Annual Budget (\$ 000's)
<i>Expenses</i>					
	358	360	99.4%	2	453
1	13	46	27.5%	33	61
2	441	309	142.7%	(132)	322
	218	222	98.0%	4	363
3	404	562	72.0%	157	749
<b>Total Cost of Service</b>	<b>1,434</b>	<b>1,499</b>	<b>95.7%</b>	<b>65</b>	<b>1,949</b>
<i>Less Revenue</i>					
	(6)	0	0.0%	6	0
4	(16)	0	0.0%	16	0
5	(249)	(376)	66.3%	(127)	(501)
<b>Total Revenue</b>	<b>(271)</b>	<b>(376)</b>	<b>72.1%</b>	<b>(105)</b>	<b>(501)</b>
<b>Net Cost of Service</b>	<b>1,164</b>	<b>1,124</b>	<b>103.6%</b>	<b>(40)</b>	<b>1,448</b>

#### Notes to Report:

- Extended relationships currently \$33k under budget. We are currently waiting on feedback from the colleges as to their support for an International Youth Leadership Camp being held by Jiading China this year. If it goes ahead there is likely to be approximately \$10k spent from the extended relationship budget by 30 June 2024. The remaining budget is likely to be unspent.
- Grants and Donations \$132k over budget (Waihi \$80k, Plains \$69k, Creative New Zealand Grants \$23k, partially offset by District \$33k and Paeroa \$6k under budget). Large grants paid include \$124k to Sport 'n' Action Waihi for the Sports Field Preparation and Construction and \$78k to Thames Valley Hockey Turf Society towards the replacement and upgrade of the Hockey Turf at Ngatea. Grant balances carried over from the previous year were \$10k District Grants, \$16k Paeroa Grants, \$10k Plains Grants and \$3k Waihi Grants. Council Resolution C23/191.
- 3 Mayors Taskforce for Jobs is \$123k less than budget. Note this expense is funded by MBIE. Other Donations and Grants \$25k under budget.
- 4 Grant income received from Creative New Zealand of \$16k not budgeted for.
- 5 Mayors for Jobs Taskforce reimbursement \$126k behind budget, is linked to expenditure spend.

## Summary of Regulatory for the 9 months ended 31 March 2024

	YTD Actual (\$ 000's)	YTD Budget (\$ 000's)	% of YTD Budget	YTD Variance (\$ 000's)	Annual Budget (\$ 000's)
<i>Expenditure</i>					
Animal Control	501	524	95.5%	24	699
Building Services	1,506	1,464	102.9%	(43)	1,952
Community Protection	810	812	99.7%	2	1,088
CCTV and Abandoned Mines	56	60	94.5%	3	80
RMA Implementation	1,271	1,275	99.7%	4	1,700
<b>Total Cost of Service</b>	<b>4,145</b>	<b>4,135</b>	<b>100.2%</b>	<b>(10)</b>	<b>5,518</b>
<i>Less Revenue</i>					
Animal Control	(369)	(352)	104.7%	16	(363)
Building Services	(671)	(825)	81.3%	(154)	(1,101)
Community Protection	(98)	(78)	125.2%	20	(104)
CCTV and Abandoned Mines	0	0	0.0%	0	0
RMA Implementation	(357)	(624)	57.2%	(267)	(833)
<b>Total Revenue</b>	<b>(1,495)</b>	<b>(1,880)</b>	<b>79.5%</b>	<b>(385)</b>	<b>(2,401)</b>
<b>Net Cost of Service</b>	<b>2,650</b>	<b>2,255</b>	<b>117.5%</b>	<b>(395)</b>	<b>3,118</b>

### Animal Control for the 9 months ended 31 March 2024

	YTD Actual (\$ 000's)	YTD Budget (\$ 000's)	% of YTD Budget	YTD Variance (\$ 000's)	Annual Budget (\$ 000's)
<i>Expenses</i>					
1 Animal Control	501	524	95.5%	24	699
<b>Total Cost of Service</b>	<b>501</b>	<b>524</b>	<b>95.5%</b>	<b>24</b>	<b>699</b>
<i>Less Revenue</i>					
2 Animal Control Income	(369)	(352)	104.7%	16	(363)
<b>Total Revenue</b>	<b>(369)</b>	<b>(352)</b>	<b>104.7%</b>	<b>16</b>	<b>(363)</b>
<b>Net Cost of Service</b>	<b>132</b>	<b>172</b>	<b>76.8%</b>	<b>40</b>	<b>336</b>

#### Notes to Report:

- Operating contract under budget by \$2k per month causing a favourable variance of \$18k, forecast \$24k favourable variance over 12 months.
- Other favourable variances of \$6k.
- Fine income is \$14k ahead of budget.

### Building Services for the 9 months ended 31 March 2024

	YTD Actual (\$ 000's)	YTD Budget (\$ 000's)	% of YTD Budget	YTD Variance (\$ 000's)	Annual Budget (\$ 000's)
<i>Expenses</i>					
3 Building Services	1,506	1,464	102.9%	(43)	1,952
<b>Total Cost of Service</b>	<b>1,506</b>	<b>1,464</b>	<b>102.9%</b>	<b>(43)</b>	<b>1,952</b>
<i>Less Revenue</i>					
4 Building Services Income	(671)	(825)	81.3%	(154)	(1,101)
<b>Total Revenue</b>	<b>(671)</b>	<b>(825)</b>	<b>81.3%</b>	<b>(154)</b>	<b>(1,101)</b>
<b>Net Cost of Service</b>	<b>835</b>	<b>638</b>	<b>130.8%</b>	<b>(197)</b>	<b>851</b>

#### Notes to Report:

- Building services expense \$43k ahead of budget due to use of external contractors to assist with BCA accreditation, IANZ audit non compliances and processing of commercial consents.
- Building consents - inspections/monitoring is \$117k behind budget and Building consents - processing fees is \$43k behind budget due to a reduction in the number of building consent applications. Slightly offset by Swimming pool inspections, PIMS and Agency Commissions \$5k ahead of budget.



Community Protection for the 9 months ended 31 March 2024

	YTD Actual (\$ 000's)	YTD Budget (\$ 000's)	% of YTD Budget	YTD Variance (\$ 000's)	Annual Budget (\$ 000's)
<i>Expenses</i>					
Community Protection	810	812	99.7%	2	1,088
<b>Total Cost of Service</b>	<b>810</b>	<b>812</b>	<b>99.7%</b>	<b>2</b>	<b>1,088</b>
<i>Less Revenue</i>					
5 Community Protection Income	(98)	(78)	125.2%	20	(104)
<b>Total Revenue</b>	<b>(98)</b>	<b>(78)</b>	<b>125.2%</b>	<b>20</b>	<b>(104)</b>
<b>Net Cost of Service</b>	<b>712</b>	<b>734</b>	<b>97.0%</b>	<b>22</b>	<b>984</b>

Notes to Report:

- 5 Liquor Licences user fees and charges \$13k ahead of budget and other fees and charges \$6k ahead of budget.

CCTV and Abandoned Mines for the 9 months ended 31 March 2024

	YTD Actual (\$ 000's)	YTD Budget (\$ 000's)	% of YTD Budget	YTD Variance (\$ 000's)	Annual Budget (\$ 000's)
<i>Expenses</i>					
CCTV and Abandoned Mines	56	60	94.5%	3	80
<b>Total Cost of Service</b>	<b>56</b>	<b>60</b>	<b>94.5%</b>	<b>3</b>	<b>80</b>
<i>Less Revenue</i>					
CCTV and Abandoned Mines	0	0	0.0%	0	0
<b>Total Revenue</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0</b>
<b>Net Cost of Service</b>	<b>56</b>	<b>60</b>	<b>94.5%</b>	<b>3</b>	<b>80</b>

Notes to Report:

RMA Implementation for the 9 months ended 31 March 2024

	YTD Actual (\$ 000's)	YTD Budget (\$ 000's)	% of YTD Budget	YTD Variance (\$ 000's)	Annual Budget (\$ 000's)
<i>Expenses</i>					
RMA Implementation	1,271	1,275	99.7%	4	1,700
<b>Total Cost of Service</b>	<b>1,271</b>	<b>1,275</b>	<b>99.7%</b>	<b>4</b>	<b>1,700</b>
<i>Less Revenue</i>					
6 RMA Income	(357)	(624)	57.2%	(267)	(833)
<b>Total Revenue</b>	<b>(357)</b>	<b>(624)</b>	<b>57.2%</b>	<b>(267)</b>	<b>(833)</b>
<b>Net Cost of Service</b>	<b>914</b>	<b>650</b>	<b>140.5%</b>	<b>(263)</b>	<b>867</b>

Notes to Report:

- 6 User Fees & Charges for resource consents are \$277k under budget due to reduced number of subdivision applications by 12%. The NPS for Highly Productive Land has also had a negative impact on the number of subdivisions. Slightly offset by user fees & charges for LIMS tracking \$12k ahead of budget.

## 5 BUSINESS UNITS REPORT

The report contains an update on how Council's Business Units are performing compared to their budgets.

<b>OVERHEAD DEPARTMENTS - SUMMARY POSITION AS AT 31 March 2024</b>					
Note	YEAR TO DATE				Annual Budget
	Actual	Budget	Variance	% Budget	
<b>Revenue</b>					
Works	3,829,693	4,586,879	(757,186)	-17%	6,162,395
Project Management Office	1,025,579	1,055,460	(29,881)	-3%	1,402,940
Engineering Team	869,492	1,099,530	(230,038)	-21%	1,537,490
Roading Services	503,340	711,200	(207,860)	-29%	947,395
Fleet Management	137,705	152,895	(15,190)	-10%	205,020
<b>Total Revenue</b>	<b>6,365,810</b>	<b>7,605,964</b>	<b>(1,240,154)</b>	<b>-16%</b>	<b>10,255,240</b>
<b>Expenditure</b>					
Works	4,063,618	4,279,420	215,802	5%	5,642,107
Project Management Office	1,053,659	1,016,028	(37,631)	-4%	1,354,214
Engineering Team	1,026,224	1,049,886	23,663	2%	1,393,028
Roading Services	603,763	681,148	77,385	11%	907,531
Fleet Management	175,284	189,036	13,752	7%	252,048
<b>Total Cost of Service</b>	<b>6,922,547</b>	<b>7,215,518</b>	<b>292,971</b>	<b>4%</b>	<b>9,548,928</b>
<b>Surplus/(Deficit)</b>					
Works	(233,925)	307,459	(541,384)		520,288
Project Management Office	(28,079)	39,432	(67,511)		48,726
Engineering Team	(156,732)	49,644	(206,375)		144,462
Roading Services	(100,423)	30,052	(130,475)		39,864
Fleet Management	(37,579)	(36,141)	(1,438)		(47,028)
<b>SURPLUS/(DEFICIT)</b>	<b>(556,738)</b>	<b>390,446</b>	<b>(947,184)</b>		<b>706,312</b>
<b>Recovered Hours</b>					
Works	48,248	60,588	(12,340)	-20%	79,832
Project Management Office	7,142	7,274	(132)	-2%	9,670
Engineering Team	7,085	8,739	(1,654)	-19%	12,273
Roading Services	4,364	6,320	(1,956)	-31%	8,413
Fleet Management	881	1,093	(212)	-19%	1,467
<b>Total Revenue</b>	<b>67,720</b>	<b>84,014</b>	<b>(16,294)</b>	<b>-19%</b>	<b>111,655</b>

Overall to date in 2023/24, the business units have not performed as well as was budgeted.

The main factor affecting the results is reduced labour recoveries caused by unfilled vacancies and additional staff leave.

The Works team in particular has found it difficult to fill roles, with up to ten vacancies at times during the year. The budgets for all the business units were prepared assuming that all roles would be filled.

From February, the hourly charge-out rates were increased so the business units should at least break-even in each of the remaining months, assuming there is a normal level of vacancies. These charge-out rates are still lower than comparable market rates.

A number of staff had built up very significant leave balances over a number of years. These staff are now taking additional leave to reduce their balances. The pay cost of the additional leave will be reversed at the end of the year, however, like the unfilled roles, the labour recoveries from these positions are low, and they are not contributing to overhead recoveries as much as was anticipated. The 2023/24 budgets had assumed that a more typical amount of leave would be taken during the year.

For 2024/25, staff expect that each of the business units should return small surpluses. The majority of roles are now filled, the budgets have been set at charge-out rates that allow for a normal level of vacancies.

## 6 OVERHEADS REPORT

The report contains an update on how Council’s Overheads activity is performing compared to their budgets.

OVERHEAD DEPARTMENTS - SUMMARY POSITION AS AT 31 March 2024					
	YEAR TO DATE				Annual Budget
	Actual	Budget	Variance	% Budget	
<b>Expenditure</b>					
Leadership Team	1,695,833	1,798,668	102,835	6%	2,405,328
Service Delivery	2,342,518	2,325,187	(17,331)	-1%	3,094,393
Community Development	3,813,793	3,830,216	16,423	0%	5,104,171
Business Support	3,972,939	3,833,897	(139,042)	-4%	5,117,908
<b>Total Cost of Service</b>	<b>11,825,083</b>	<b>11,787,968</b>	<b>(37,115)</b>	<b>0%</b>	<b>15,721,800</b>
<b>Less Revenue</b>					
Leadership Team Income	(921)	(28,503)	(27,582)	97%	(38,000)
Service Delivery Income	-	-	-	n/a	(130,000)
Community Development Income	(49,824)	(6,867)	42,957	-62%	(116,895)
Business Support Income	(9,294)	(4,050)	5,244	-129%	(5,400)
<b>Total Revenue</b>	<b>(60,039)</b>	<b>(39,420)</b>	<b>20,619</b>	<b>-52%</b>	<b>(290,295)</b>
<b>NET COST OF SERVICE</b>	<b>11,765,044</b>	<b>11,748,548</b>	<b>(16,496)</b>	<b>0%</b>	<b>15,431,505</b>

Overheads are currently overspent by \$37k. There has been an overspend in Insurance due to a Riskpool call of \$95k. Offsetting this are underspends due to positions that are either currently vacant, or were vacant for a period during the six months to December. Some of these costs have been offset by the cost of contractors to fill these positions.

Leadership Team income had some government subsidies budgeted that have not been received yet.

Community Development income is ahead of budget due to higher than expected CSA sales of bin tags. This is offset by increased costs of purchasing the bin tags.

## 7 PROPERTY REPORT

The report contains an update on how Council’s Property activity is performing compared to their budgets.

PROPERTY - SUMMARY AS AT 31 March 2024					
	YEAR TO DATE				Annual Budget
	Actual	Budget	Variance	% Budget	
<b>Expenditure</b>					
Offices	419,942	393,457	(26,485)	-7%	730,392
Depots and workshop	86,101	98,529	12,428	13%	177,219
Other	422,878	311,418	(111,460)	-36%	614,112
<b>Total Cost of Service</b>	<b>928,922</b>	<b>803,404</b>	<b>(125,518)</b>	<b>-16%</b>	<b>1,521,723</b>
<b>Less Revenue</b>					
Offices	(443,530)	(440,145)	3,385	-1%	(586,860)
Depots and workshop	(175,734)	(175,734)	-	0%	(234,317)
Other	(269,268)	(231,237)	38,031	-16%	(314,371)
<b>Total Revenue</b>	<b>(888,532)</b>	<b>(847,116)</b>	<b>41,416</b>	<b>-5%</b>	<b>(1,135,548)</b>
<b>NET COST OF SERVICE</b>	<b>40,390</b>	<b>(43,712)</b>	<b>(84,102)</b>		<b>386,175</b>

Offices expenditure includes some costs related to the reconfiguration of Hauraki House. This should be recouped overtime through reduced costs associated with no longer leasing Ohinemuri House.

Other expenditure includes surveying & legal fees that are more than budgeted. The majority of this overspend is for legal fees spent defending a council decision.

## 8 TE ARA KI MUA | NEXT ACTIONS

The table below sets out the next key steps:

Action	Responsibility	By When
Furnish Council financial reports to the 31 <sup>st</sup> of March 2024 for the Committee’s review.	Finance Manager	22 April 2024

## 9 WHAKAPAI | APPROVAL

Prepared by	Steve Baker <b>Finance Manager</b>
Reviewed by	Duncan Peddie <b>Group Manager Business Support</b>
Approved by	Duncan Peddie <b>Group Manager Business Support</b>

## Appendix A

## FOR INFORMATION NGĀ MŌHIOTANGA



To Mayor and Councillors

Author Duncan Peddie  
Group Manager Business Support

Meeting date 31 March 2024

File reference Document: 3612736

Subject **Financial Report for the period to 31 March 2024**

### 1 TE WHAIKUPU | RECOMMENDATIONS

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THAT Council

- a) Receives the report titled Financial Report for the period to 31 March 2024, (document number 3612736).
- b) That Council notes the Finance Committees continued approval, due the uncertainty surrounding the 3-Waters process over the past months, the continued noncompliance with:

the recommended parameters for the fixed/floating interest rates as set out in the Liability Management Policy up to and including the date of the next Committee meeting, as it believes it is prudent to do so for the reasons set out in the treasury paper submitted to them on the 22<sup>nd</sup> April 2024.

### 2 TE ARONGA | PURPOSE

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The purpose of this report is to provide the Council with cumulative financial information for the year to date to enable it to monitor the financial performance of the organisation; to inform the Council of budget requests made under the delegated financial authority and to seek approval for further requests for additional budget

### 3 WHAKAPAPA | BACKGROUND AND CONTEXT

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A local authority must manage its revenues, expenses, assets, liabilities, investments, and general dealings prudently and in a manner that promotes the current and future interests of the community.

To enable the Council to act prudently and in a manner that promotes the current and future interests of the community, financial performance must be monitored on a regular basis.

Council amended the financial delegation to the Chief Executive on the 29 January 2020. The delegation requires regular reporting of any approvals made under delegation under the Chief Executive delegation.

#### 4 APPROVALS MADE UNDER CHIEF EXECUTIVE DELEGATIONS

No additional expenditure requests have been submitted for approval under the Delegation Policy to the Chief Executive.

#### 5 ADDITIONAL BUDGET REQUESTS APPROVED BY COUNCIL DURING 2023/24

For information purposes we have included below a list of requests brought to, and approved, by Council since the adoption of the 2023/24 Annual plan.

Meeting Date	Resolution	Description	OPEX 23/24	CAPEX 23/24
02/08/23	C23/222	Thames Hauraki Aquatic Facility Feasibility Study	\$6,500	
02/08/23	C23/225	Paeroa Pool conversion to Salt water		\$75,000
02/08/23	C23/226	Waihi Arts Centre and Museum Earthquake Strengthening		\$90,000
02/08/23	C23/229	Additional Expenditure to complete the Transition and Mobilisation Activities	\$40,000	
02/08/23	C23/233	Additional Operational Expenditure for the Resources Applicable to the Approved Opening Days and Hours at the Transfer Stations	\$30,000	
02/08/23	C23/234	Additional funding - Paeroa Refuse Transfer Station Upgrade		\$482,000
02/08/23	C23/236	Retrospective approvals unbudgeted expenses associated with the tender process for the new Waste Contract	\$250,000	
02/08/23	C23/244	Budget Increase - Ngatea North Development		\$Confidential
02/08/23	C23/244	Budget Increase - Kerepehi Raw Water Tank project		\$Confidential
02/08/23	C23/249	Delegation to pursue unbudgeted land acquisition		\$Confidential
27/09/23	C23/249	unbudgeted capital expenditure to the purchase of two new aerators for the Waihi Sewage Treatment Plant		\$240,000
25/10/23	C23/315	Request to Carry forward unspent budgets from previous years. * No impact on rates as provided for in previous years BOF – Bettor off Project – externally funded no impact on rates		
		Conservation Initiatives for SNA/Heritage funding	\$44,532*	
		Wharakawa Coast	\$118,457*	

<b>Meeting Date</b>	<b>Resolution</b>	<b>Description</b>	<b>OPEX 23/24</b>	<b>CAPEX 23/24</b>
		Property file digitisation programme	\$103,280*	
		Purchase of digitisation tool	\$37,725*	
		BOF - Developing a partnership model with Hauraki Iwi	\$67,484	
		BOF - Hauraki Plains Adaption Plan	\$93,555	
		BOF - Community Placemaking and Planning program for Paeroa, Ngatea and Kerepehi	\$8,327	
		BOF - Programme Management Cost	\$36,421	
<b>25/10/23</b>	C23/315	Net – Capital Carry forwards from 22/23 Retrospective approvals for CAPEX overspends in 2022/23 (Table 7). Future year CAPEX budgets spent in 2022/23 (Table 9)		\$21,344,514 \$998,660 \$424,563
<b>25/10/23</b>	C23/319	Additional funding for Waihi Main Street Renewals		\$1,910,000
<b>29/11/23</b>	C23/368	1011_001 - Footpath Renewal – Paeroa. Reinstate for 23/24		\$189,384
<b>29/11/23</b>	C23/368	1011_003 - FP Renewal - Paeroa - Western side of Arney St to be replaced from Kea Crossing to King St. Reinstate for 23/24		\$171,950
<b>29/11/23</b>	C23/368	1355_001 - Turua playground - replacement modular playground Reinstate 2023/24		\$47,400
<b>29/11/23</b>	C23/368	1357_001 - Training Lights for Hugh Hayward Domain - Joint funding (100,000) Reinstate for 2023/24		\$255,000
<b>29/11/23</b>	C23/368	1012_002 - Front Miranda Rd Footpath Renewal RP11 - 157 m budget increase		\$55,500
<b>29/11/23</b>	C23/368	1099_001 - WPDD Capital contribution to WRC Muggeridge pump		\$93,934
<b>29/11/23</b>	C23/368	1301_001- District pools – covers		\$15,800
<b>29/11/23</b>	C23/368	defer the 2023/24 capital projects as listed in M3529649 M3536432		(26,784,976)
<b>31/01/24</b>	C24/11	Bring forward \$200,000 from 2024/25 budgets for the Hauraki House renovation		\$200,000
<b>28/02/24</b>	C24/40	Installation of 30 minute parking limits and one mobility park outside Four Square Paeroa	\$5,000	
<b>28/02/24</b>	C24/42	bring forward budget from 2024/25 year for the CEO recruitment to 2023/24	UNKOWN	
<b>28/02/24</b>	C24/44	Hauraki Rail Trust Charitable Trust funding request	\$27,027	
<b>27/03/24</b>	C24/78	Ngatea Netball Courts grant	\$180,000	

## 6 FINANCIAL REPORT

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In Summary

### **For the nine months to the end of February 2024**

#### Revenue

Non-rates revenue is tracking (\$528k) (6.1%) behind budget.

The principal revenue variances are:

- (\$196k) relates to transfer station revenue down against that budgeted
- (\$431k) relates to kerbside collection due to lower than budgeted presentation rates for the red lid bins.
- (\$267k) in RMA Implementation where Actual subdivision applications are 21% under that budgeted
- (154k) Building services
- \$215k unbudgeted transitional funding for 3 waters

#### Expenditure

Council is (\$590k) (1.4%) over budget on its operational expenditure.

The principal expenditure variances are:

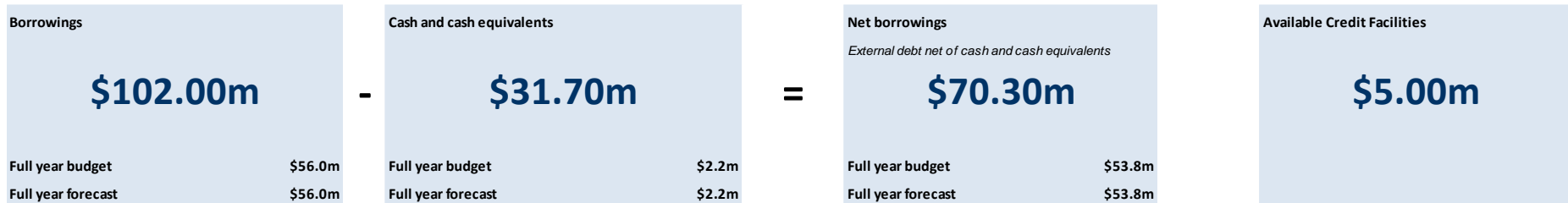
- Waste Management (\$358k)  
Transfer stations (\$307k) due to start-up costs previously approved by Council (C23/223).
- Wastewater (\$297k)  
Treatment costs are higher than budget (\$234k), as are reactive repairs to plants, reticulation (\$48k) and pump stations (\$55k).
- Water – 77k  
Reactive repairs across the reticulation network unfavourable variance to budget (\$545k). Treatment (388k) unfavourable variance due to reactive repairs (\$149k) generator hire (481k) and Chemical costs (104k) offset by deferred desludging of \$751k and Other \$109k favourable variances
- Roading – \$234k  
Network management is \$319k under budget and the Hauraki Community Connections budget of \$82k is so far unspent. Partially offsetting these is unfavourable variances in lighting (\$154k) and footpath maintenance (\$18k)

This gives an overall unfavourable variance to budget year to date of (\$1.118m) or 3.4%



## Hauraki District Council Financial Measures

### Key Indicators for the 9 months ended 31 March 2024



Annual - Financial Strategy debt caps (audited Financial Statements)	Performance against debt caps as at 30 June 2023	Compliance with debt caps
Total net external debt will not exceed 175% of total revenue in any year.	93.9%	<b>YES - 54% of cap</b>
Net interest expense is ≤ 15% of rates revenue in any year.	4.8%	<b>YES - 32% of cap</b>
Net interest expense is ≤ 10% of total revenue in any year.	3.3%	<b>YES - 33% of cap</b>
Net external debt per rating unit is ≤ \$8,000 in any year.	\$4,385	<b>YES - 55% of cap</b>

### Monthly - Financial Strategy Policy Parameters as at 31 March 2024

Loan Maturity Profile Limit			Proportion of maturities	Compliance with policy
Period	Minimum %	Maximum %		
0 to 3 years	15%	60%	19%	<b>Yes</b>
3 to 7 years	25%	85%	81%	<b>YES</b>
7 years plus	0%	60%	0%	<b>YES</b>

At present Council is within its funding parameters set under its Liability Policy. Council’s capital works programme requires a significant increase in borrowing over the next 24 months.

Council will be outside of its Parameters by April 2024. As such, March’s LGFA tender will need to place debt maturity in 2028 and beyond. Council has prefunded the \$13m debt maturing in April 2024, \$2m in the August, and a further \$9m in maturing in October 2024.

Council has a \$3m BNZ and \$2m LGFA standby facility.

Bespoke borrowing covenant update.

In September 2022 Council considered the Special budget request for Priority Water and Wastewater Projects. As part of this paper it was identified that Council might well breach the LGFA borrowing covenant that “Total Net External debt would not exceed 175% of total revenue in any year”. It was suggested and Council agreed that staff should seek to attain a bespoke borrowing covenant from the LGFA to undertake these projects.

On the 13<sup>th</sup> of March 2023 Council received notification from the LGFA that its Board had approved a bespoke net debt to total revenue borrowing covenant of 210% subject to:

- The net debt to total revenue covenant of 210% applies only for the period through to July 2026. After that date, the covenant will revert to 175%
- If the 3-Waters Programme does not proceed as currently outlined in the Water Services Entity Bill, then Council will seek an external credit rating.
- Council is expected to remain compliant to the other three LGFA financial covenants above.

Policy Liquidity Ratio	Compliance with policy
>=110% <sup>1</sup>	<b>Yes – 112%</b>

As debt levels rise Council will need to attain more undrawn facilities in order to maintain liquidity compliance.

Parameters for the fixed/floating interest rates	<b>Compliance with policy -No</b>
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The 3-Waters legislation has been repealed by the current government. Accordingly, this strategy is based upon the retention of 3-waters in Council.

The following chart shows the dollar amount of debt that is fixed and how this changes as time progresses. The chart takes a snapshot as at 31 March 2024 based on the Current Debt figures, the debt as at June 2023, the Annual Plan 2023/24, and then years 2024/25 through to 2033/34 per the draft 2024-34 LTP.

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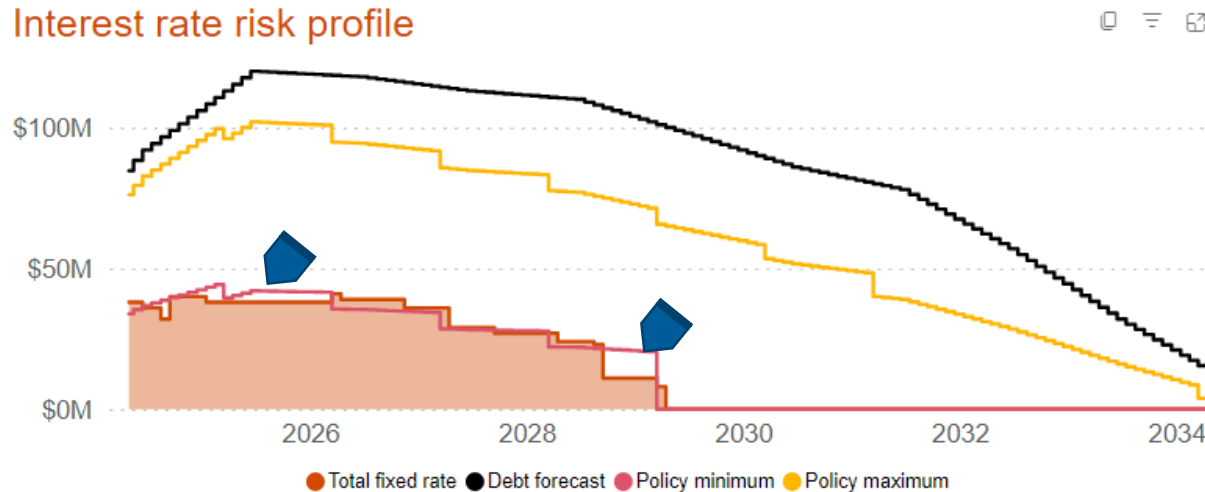
<sup>1</sup> Being external loans, committed debt facilities together with short term investments will be greater than 110% of forecast debt requirements

The red part of the graph shows the amount of debt which is fixed (this includes fixed rate bonds together with payer swaps) meaning debt which gets repriced in one year or later.

Based on the above forecast borrowing Council is outside the parameters set in relation to the portion of fixed/floating interest rates.

**Debt Forecast 2024 LTP Retaining 3-Waters**

**Interest rate risk profile**



Under the above scenario Council is outside the recommended parameters set under its Liability Management and Investment Policy. Previously we have been operating under the direction from the previous government that Councils 3-waters activities and associated debt would be transferred to new entity by 2026. We are now actively pursuing opportunities to hedge interest rates when opportunities arise. However we are still outside of policy parameters.

Accordingly we recommend that Council acknowledges that such an approach is outside the recommended set parameters in relation to its funding strategy, and notes for the reasons above that it approves any noncompliance with the Policy recommendations.

The above matters have been discussed with the Audit and Risk Committee, and more recently Councils Finance Committee, since April 2022 where they have consistently acknowledged that Council is outside the recommended set parameters and the reasons for this noncompliance, The Committee has endorsed this noncompliance with the Policy recommendations.

## Groups of activities overview - Financial Measures

Key Indicators for the 9 months ended 31 March 2024

Operating Revenue (excluding Rates & Rooding capital funding from NZTA)

**\$8,102,623**

<b>Unfavourable YTD</b>	<b>\$(528,307)</b>
<b>YTD budget</b>	<b>\$8,630,930</b>
Full year budget	\$11,933,901
Full year forecast	\$11,405,594

Operating Expenditure

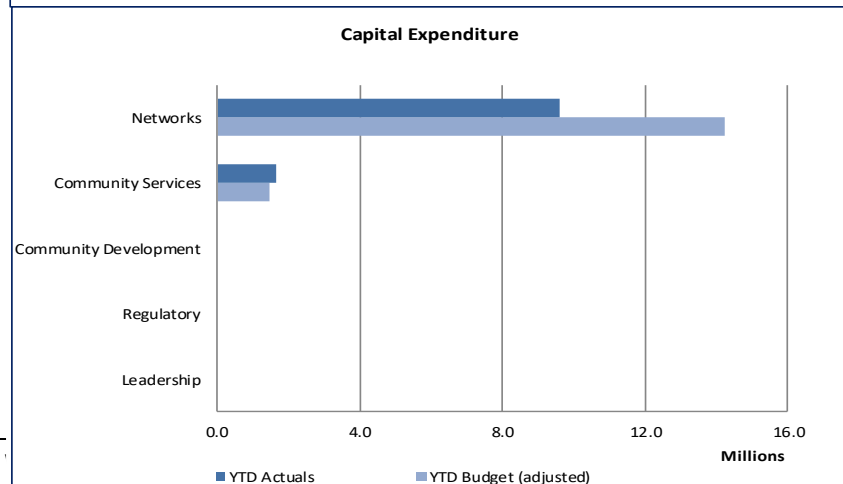
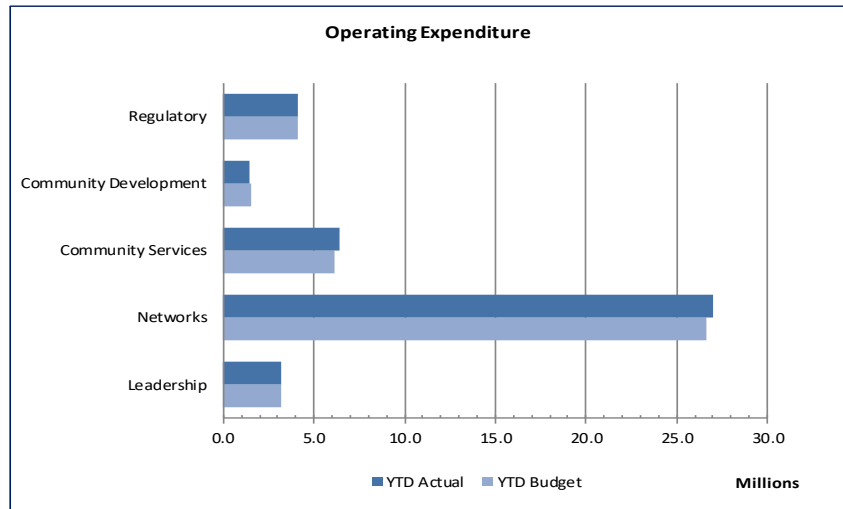
**\$42,225,266**

<b>Unfavourable YTD</b>	<b>\$(590,128)</b>
<b>YTD budget</b>	<b>\$41,635,138</b>
Full year budget	\$57,992,729
Full year forecast	\$58,582,857

Capital Expenditure

**\$11,232,689**

<b>Favourable YTD</b>	<b>\$4,422,020</b>
<b>YTD Forecast</b>	<b>\$15,654,709</b>
Full year budget (Original)	\$31,918,350
Full year forecast	\$20,989,495



### Revenue

**Regulatory** - Unfavourable variance (\$267k) Actual subdivision applications are 21% under that budgeted. While Building Service income had an unfavourable variance of (\$154k)

**Community Development** - Mayors for Jobs Taskforce reimbursement (\$126k) behind budget. Revenue is linked to the expenditure

**Rooding** - NZTA Subsidy under budget (\$95k) this is linked to the work programme is forecast to step up over summer.

**Waste Management** - Kerbside revenue down (\$431k) due to presentation rates for red lid bins of 45% compared to budget of 80%.

**Water** - unbudgeted government grant of 215k

### Operating Expenditure

**Regulatory** - Building services expense (\$43k) ahead of budget due to the use of external contractors to assist with BCA accreditation, IANZ audit non compliances.

**Community Development** - Mayors Taskforce for jobs \$126k under budget. This expenditure is funded externally through MBIE

**Community Services** - Pensioner housing rates expense exceeds budget primarily as a result of the transition to SUIP rating (\$60k).

**Toilets:** Reactive maintenance for the year has already been consumed (76k).

### Networks

**Waste Management** - Transfer Stations - (\$307k) due to additional start up costs. Council approved additional budget of \$174k (C23/232) and an additional \$40k to complete the transition (C23/223).

### Water

Reticulation reactive repairs (\$545k) over budget across the reticulation network. Treatment costs are also ahead of budget by \$(234k) due in part to chemicals & repairs.

**Leadership** - Better off projects for Hauraki Plains Adaption Plan and a partnership model with Hauraki Iwi progressing

### Capital Expenditure

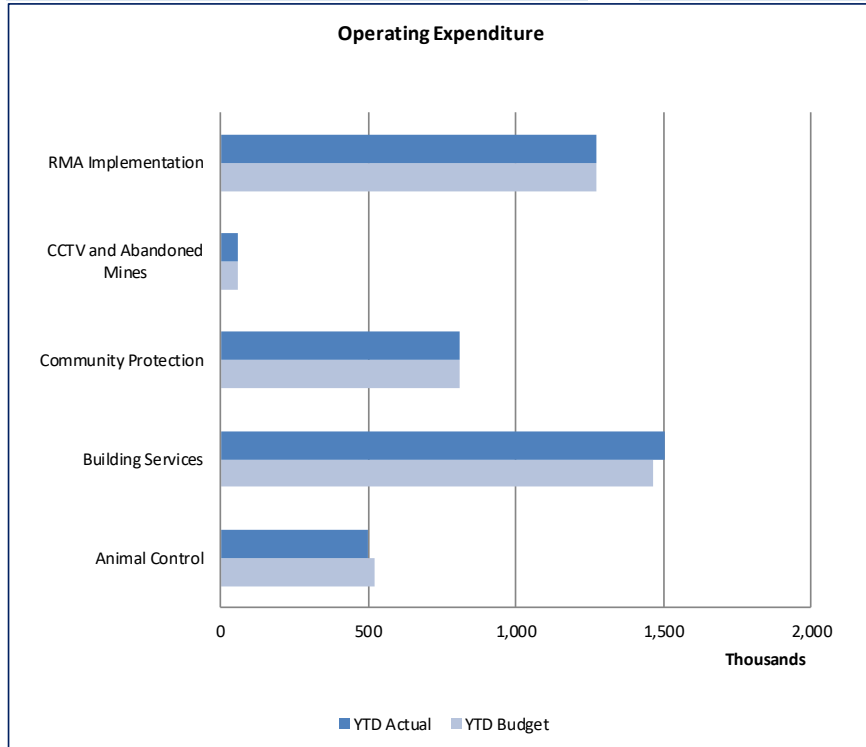
Capital expenditure is tracking well above the approved programme for Recreation primarily due to Hauraki Rail Trail - construction Pipiroa Bridge to Kopu.

The balance of the Capital works programme lagging behind YTD budget in a number of activities.

## Regulatory Financial Measures

### Key Indicators for the 9 months ended 31 March 2024

Operating Revenue (excluding Rates)		Operating Expenditure		Capital Expenditure	
	<b>\$1,495,175</b>	-	<b>\$4,144,804</b>		<b>\$0</b>
<b>Unfavourable YTD</b>	<b>\$(385,227)</b>	<b>Unfavourable YTD</b>	<b>\$(9,733)</b>	<b>Favourable YTD</b>	<b>\$0</b>
<b>YTD budget</b>	<b>\$1,880,402</b>	<b>YTD budget</b>	<b>\$4,135,071</b>	<b>YTD Forecast</b>	<b>\$0</b>
Full year budget	\$2,400,549	Full year budget	\$5,518,269	Full year budget (Original)	\$0
Full year forecast	\$2,015,322	Full year forecast	\$5,528,002	Full year forecast	\$0



**Operating Revenue (Excluding Rates)**

RMA Implementation: Unfavourable variance \$(277k) Actual subdivision applications are 21% under that budget. The National Policy Statement for Highly Productive Land has also had a negative impact on the number of subdivisions

Building Services: Building consents - inspections/monitoring is (\$161k) behind budget due to a reduction in the number of building consent applications.

**Operating Expenditure**

Building Services: Building services expense (\$43k) ahead of budget. Due to the use of external contractors to assist with BCA accreditation, IANZ audit non compliances.

Animal Control: Operating contract lower than budget \$2k per month. forecast a favourable variance of \$24k for the year.

## Community Development Financial Measures

Key Indicators for the 9 months ended 31 March 2024

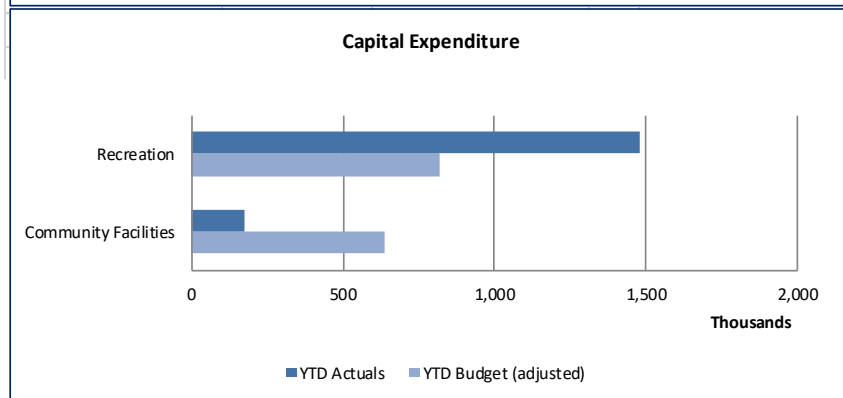
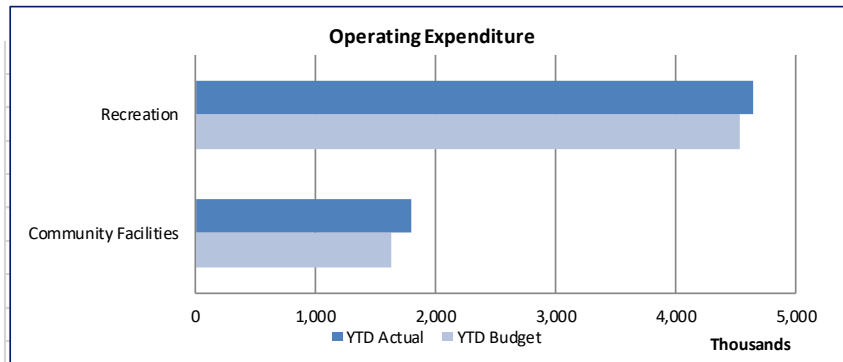
Operating Revenue (excluding Rates)		Operating Expenditure		Capital Expenditure	
	<b>\$270,732</b>	-	<b>\$1,434,283</b>		<b>\$0</b>
Unfavourable YTD	\$(105,018)	Favourable YTD	\$65,032	Favourable YTD	\$0
YTD budget	\$375,750	YTD budget	\$1,499,315	YTD Forecast	\$0
Full year budget	\$501,000	Full year budget	\$1,948,579	Full year budget (Original)	\$0
Full year forecast	\$395,982	Full year forecast	\$1,883,547	Full year forecast	\$0

	<p><b><u>Operating Revenue (Excluding Rates)</u></b></p> <p>Mayors Taskforce for Jobs funding received from MBIE \$126k under budget. Revenue is linked to expenditure.</p> <p><b><u>Expenditure</u></b></p> <p><u>Social Initiatives</u>: Mayors Taskforce for Jobs \$126k behind budgeted programme.</p> <p>Grants and Donations \$132k over budget comprising a number of grants approved by Council C23/191.</p> <p><u>Extended relationships</u> Currently \$33k under budget. We are currently waiting on feedback from the colleges as to their support for an International Youth Leadership Camp being held by Jiading China this year.</p>
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## Community Services Financial Measures

Key Indicators for the 9 months ended 31 March 2024

Operating Revenue (excluding Rates)		Operating Expenditure		Capital Expenditure	
	<b>\$803,653</b>	-	<b>\$6,444,187</b>		<b>\$1,653,700</b>
<b>Favourable YTD</b>	<b>\$130,804</b>	<b>Unfavourable YTD</b>	<b>\$(279,205)</b>	<b>Unfavourable YTD</b>	<b>\$(201,348)</b>
<b>YTD budget</b>	<b>\$672,849</b>	<b>YTD budget</b>	<b>\$6,164,982</b>	<b>YTD Forecast</b>	<b>\$1,452,352</b>
<b>Full year budget</b>	<b>\$888,112</b>	<b>Full year budget</b>	<b>\$8,895,684</b>	<b>Full year budget (Original)</b>	<b>\$2,153,100</b>
<b>Full year forecast</b>	<b>\$1,018,916</b>	<b>Full year forecast</b>	<b>\$9,174,889</b>	<b>Full year forecast</b>	<b>\$1,936,169</b>



### Operating Revenue (Excluding Rates)

Library revenue down against budget across all revenue streams (\$29k)  
 Favourable variance in Cycleway \$40k from government grants received.  
 \$98k received from MBIE for the Patetonga Toilet capital project, not budgeted for.

### Operating Expenditure

#### Recreation:

Mowing costs \$125k over budget. This is due to mowing needing to be done at least fortnightly across the district due to high rates of grass growth. There is also the added cost of traffic management as it is now required for any roadside mowing.

#### Community Facilities:

- Pensioner housing rates expense exceeds budget primarily as a result of the transition to SUIP rating (\$60k). Mowing costs are also \$16k over budget partially due to higher traffic management costs
- Toilets: Reactive maintenance for the year has already been consumed (\$76k).

### Capital Expenditure

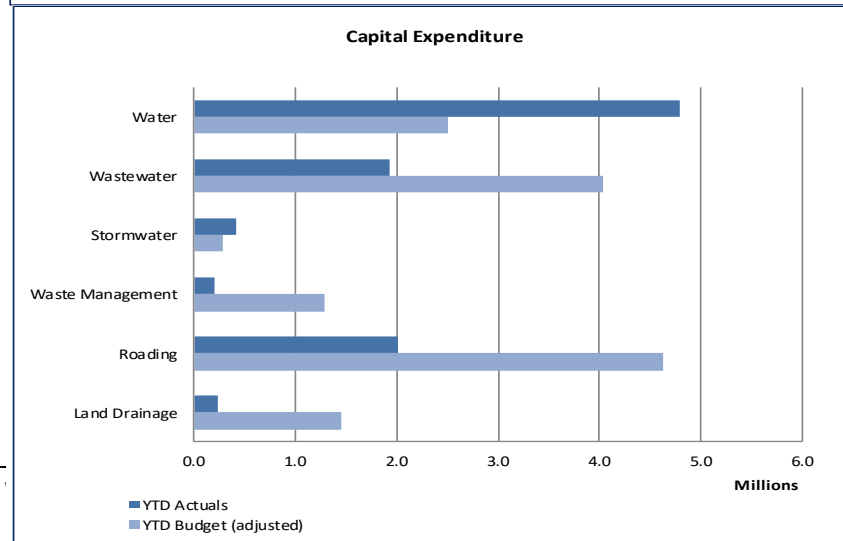
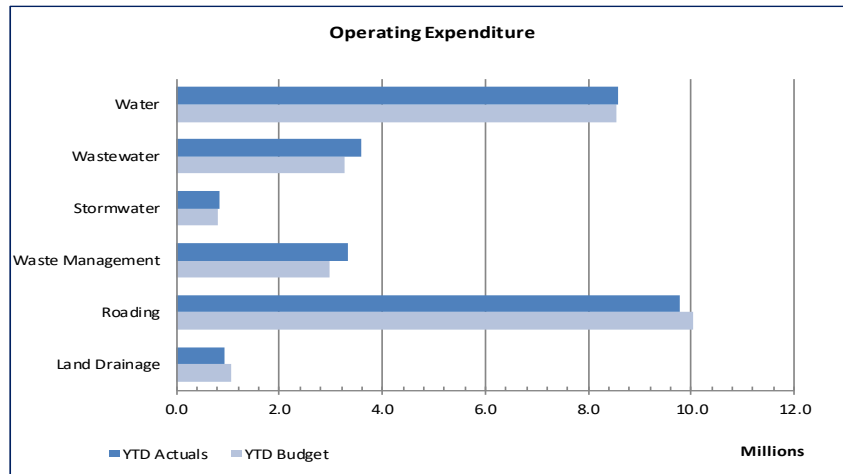
Capital expenditure is tracking well above the approved programme for Recreation primarily due to Hauraki Rail Trail - construction Pipiroa Bridge to Kopu.  
 Community Facilities is lagging behind budget.



## Networks Financial Measures

Key Indicators for the 9 months ended 31 March 2024

Operating Revenue (excluding Rates & capital funding)		Operating Expenditure		Capital Expenditure	
	<b>\$5,229,993</b>		<b>\$27,014,642</b>		<b>\$9,578,989</b>
<b>Unfavourable YTD</b>	<b>\$(146,352)</b>	<b>Unfavourable YTD</b>	<b>\$(342,121)</b>	<b>Favourable YTD</b>	<b>\$4,623,368</b>
<b>YTD budget</b>	<b>\$5,376,345</b>	<b>YTD budget</b>	<b>\$26,672,521</b>	<b>YTD Forecast</b>	<b>\$14,202,357</b>
Full year budget	\$7,710,135	Full year budget	\$37,023,253	Full year budget (Original)	\$29,765,250
Full year forecast	\$7,563,783	Full year forecast	\$37,365,374	Full year forecast	\$19,053,326



### Operating Revenue (Excluding Rates)

Waka Kotahi revenue is under budget by (\$95k) it is linked to expenditure levels.

Transfer station revenue is tracking behind budget (\$196k) with lower than anticipated volumes

Kerbside collection revenue is lagging behind budget (\$431k) as presentation rates for the waste bins are around 45% compared to the 80% budgeted. \$215k in unbudgeted Government grants

### Operating Expenditure

Water - Reactive repairs across the reticulation network unfavourable variance to budget (\$545k). Treatment (388k) unfavourable variance due to reactive repairs (\$149k) generator hire (481k) and Chemical costs (104k) offset in part by deferred desludging of \$751k

Wastewater - Pumpstation reactive repairs across the network (\$55k) over budget. Repairs to the reticulation network (\$48k) over budget.

Treatment costs (\$234) - with chemicals ahead of budget (\$64k) this is forecast to continue. As is repairs to treatment plants (\$93k)

### Waste Management -

Transfer Stations - (\$307k) due to additional start up costs. Council approved additional budget of \$174k (C23/232) and an additional \$40k to complete the transition (C23/223).

Roothing - Footpath maintenance over budget by (\$18k) and is likely to be over budget at year end.

Lighting costs are (\$154k) over budget. Due to weather and an declining asset performance

Network management is \$319k in part due to staff vacancies

Land Drainage - Pump costs due to below average rainfall this year to date. Budget likely to come under budget this year, however this will depend on the rainfall over the next 3 months. Mechanical cleaning costs under budget \$80k

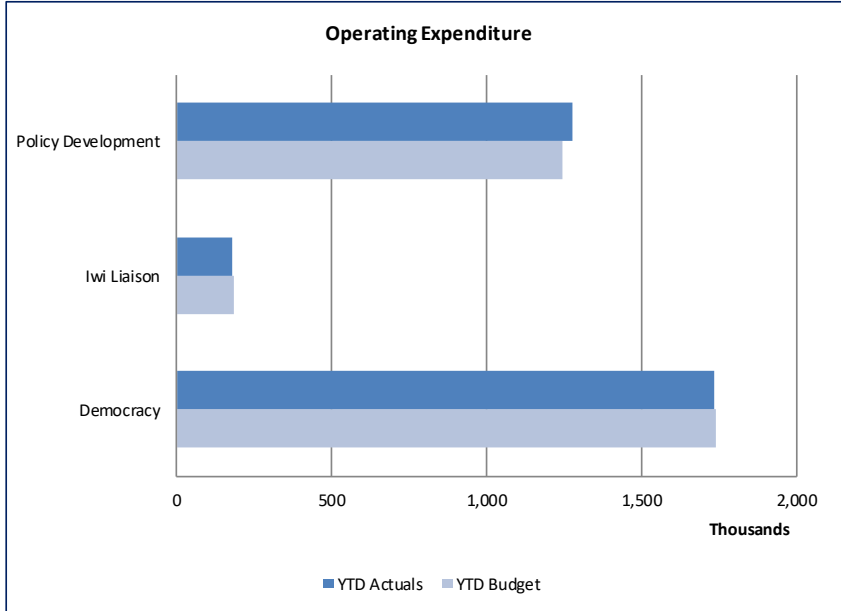
### Capital Expenditure

Capital works programme tracking ahead of profiled budgets for water but behind in all others.

## Leadership Financial Measures

### Key Indicators for the 9 months ended 31 March 2024

Operating Revenue (excluding Rates)		Operating Expenditure		Capital Expenditure	
	<b>\$303,070</b>	-	<b>\$3,187,350</b>		<b>\$0</b>
<b>Unfavourable YTD</b>	<b>\$(22,514)</b>	<b>Unfavourable YTD</b>	<b>\$(24,101)</b>	<b>Favourable YTD</b>	<b>\$0</b>
<b>YTD budget</b>	<b>\$325,584</b>	<b>YTD budget</b>	<b>\$3,163,249</b>	<b>YTD Forecast</b>	<b>\$0</b>
Full year budget	\$434,105	Full year budget	\$4,606,944	Full year budget (Original)	\$0
Full year forecast	\$411,591	Full year forecast	\$4,631,045	Full year forecast	\$0



#### Operating Revenue (Excluding Rates)

Revenue is linked to expenditure incurred in the better off projects highlighted below which are funded by the DIA.

#### Operating Expenditure

Policy Development: Expenditure includes \$230k incurred under the better off project for Hauraki Plains Adaption Plan . Total budget is \$1.07M \$93.5K of unspent budget carried forward from 22/23. We forecast an overspend in this budget equal to the unspent amount bought forward from last year.

Iwi Liaison: Expenditure includes \$95k incurred under the better off project for developing a partnership model with Hauraki Iwi. Total budget is \$539k. \$67.5K of unspent budget carried forward from 22/23. We forecast an overspend in this budget equal to the unspent amount bought forward from last year.

#### Capital Expenditure

No capital spend or budget for this group of activities.

## 7 TE ARA KI MUA | NEXT ACTIONS

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The table below sets out the next key steps:

Action	Responsibility	By When
Table Finance Report for February 2024	Finance Manager	27 March 2024

## 8 WHAKAPAI | APPROVAL

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Prepared by	Steve Baker <b>Finance Manager</b>
Reviewed by	Duncan Peddie <b>Group Manager Business Support</b>
Approved by	Duncan Peddie <b>Group Manager Business Support</b>

## FOR INFORMATION NGĀ MŌHIOTANGA



To Finance Committee

Author Duncan Peddie  
Group Manager Business Support

Meeting date 22 April 2024

File reference Document: 3611876

Subject **Treasury Report as at 31 March 2024**

### 1 TE WHAIKUPU | RECOMMENDATIONS

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THAT the Committee

- a) Receives the report titled Treasury report as at 31 March 2024, (document number 3611876).
- b) That the Committee approves noncompliance with the recommended **parameters for the fixed/floating interest rates** as set out in the Liability Management Policy up to and including the date of the next Committee meeting, as it believes it is prudent to do so for the reasons set out in this paper.

### 2 TE ARONGA | PURPOSE

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The purpose of this report is to provide an update on the current position of the loan/debt status, against the parameters outlined in the Council's Financial Strategy and Liability Management Policy.

### 3 WHAKAPAPA | BACKGROUND AND CONTEXT

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The Finance Committee is delegated to monitor Council's treasury activities to ensure that it remains within policy limits, and make recommendations to Council to exceed policy where there are good reasons to do so.

## 4 DEBT MANAGEMENT

With respect to debt management, the Council has a Liability Management and Investment Policy which outlines the parameters within which debt must be managed.

### 4.1 **Financial strategy**

The overall forecast quantum of net external debt per annum is outlined in the Council's Financial Strategy, and updated annually through the Council's Annual Planning process.

External debt is defined as the debt that the Council owes to its external lenders, such as banks. Net external debt is external debt less Council's cash and other similar liquid assets.

One of the three directions outlined in the Council's Financial Strategy relates to debt and states that the Council's intention is "to prudently reduce debt levels."

The Long Term Plan, Annual Plan and Annual Report do not report on internal debt specifically as this is not a requirement of any financial reporting standards.

The Council's Financial Strategy outlines four debt caps. The table below outlines the Council's performance against the target caps as at 30 June 2023 using the audited 2023 Annual Report figures.

<b>Financial Strategy debt caps (Audited Financial Statements)</b>	<b>Performance against debt caps as at 30 June 2023</b>	<b>Compliance with debt caps</b>
Total net external debt will not exceed 175% of total revenue in any year.	93.9%	<b>YES – 54% of cap</b>
Net interest expense is ≤ 15% of rates revenue in any year.	4.8%	<b>YES - 32% of cap</b>
Net interest expense is ≤ 10% of total revenue in any year.	3.3%	<b>YES - 33% of cap</b>
Net external debt per rating unit is ≤ \$8,000 in any year.	\$4,385	<b>YES - 55% of cap</b>

The Net External Debt as at 31 March 2024 was \$70.3m (\$102m LGFA debt, \$23.5m prefunding on term deposit, and a further \$8.2m in the bank facilities or on term deposit to meet operational requirements).

### 4.2 **Liability management Policy**

Council adopted new Liability Management and Investment Policies on the 31<sup>st</sup> of May 2023. The new Policies became effective on 1 July 2023.

The Liability Management Policy stipulates a number of parameters relating to the prudent management of debt. For the purposes of this report, these policies are each addressed separately, as relevant.

#### **4.2.1 Interest rates**

The Liability Management Policy stipulates **parameters for the fixed/floating interest rates** meaning that the Council's debt/borrowings **should** be within the following limits.

The new Policy encapsulates the 'corridor' approach to interest rate management. The corridor approach proposes a minimum and maximum hedge percentage to each year based on the associated debt forecast. This is different from the previous maturity sublimit approach, which bases the hedging percentage on the 12-month debt forecast amount.

The 'Corridor Policy' approach continues to achieve interest cost certainty and a spreading of interest rate repricing maturities whilst allowing for flexibility to manage the uncertainty that comes with long-term debt forecasting.

Utilising a 'Corridor Policy' approach requires greater focus on the longer term interest rate risk position beyond the 12-month forecast debt amount of the previous policy.

The 3-Waters legislation is in the process of being repealed by the current government. Accordingly, this strategy is based upon the retention of 3-waters in Council.

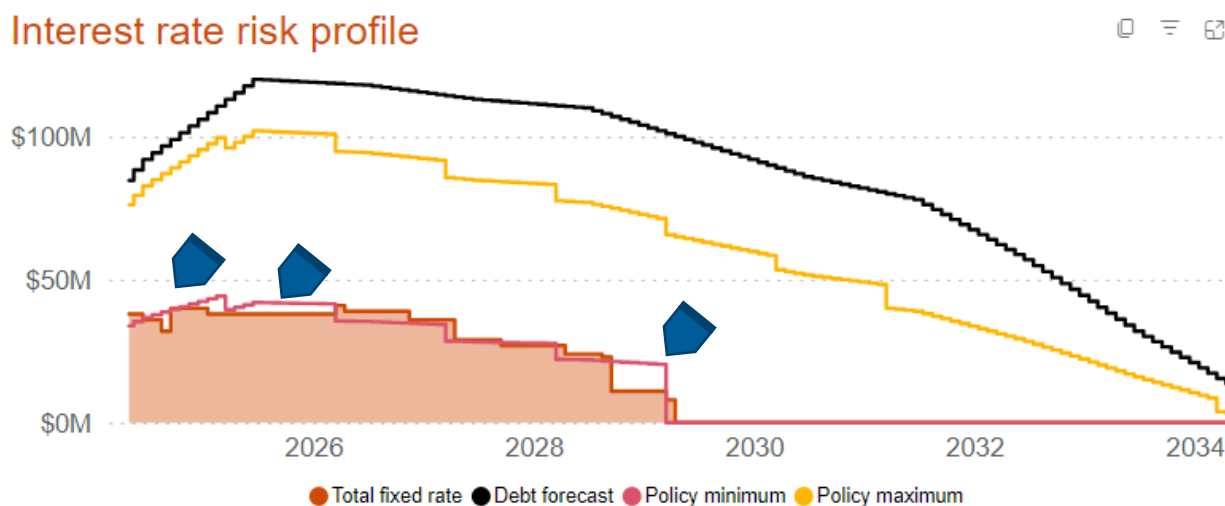
The following chart shows the dollar amount of debt that is fixed and how this changes as time progresses. The chart takes a snapshot as at 31 March 2024 based on the current debt figures, the debt as at June 2023, the Annual Plan 2023/24, and then years 2024/25 through to 2033/34 per the draft 2024-34 LTP.

The red part of the graph shows the amount of debt which is fixed (this includes fixed rate bonds together with payer swaps) meaning debt which gets repriced in one year or later.

Based on the above forecast borrowing Council is outside the parameters set in relation to the portion of fixed/floating interest rates.

**Debt Forecast 2024 LTP Retaining 3-Waters**

**Interest rate risk profile**



Under the above scenario Council is outside the recommended parameters set under its Liability Management and Investment Policy. Previously we have been operating under the direction from the previous government that Councils 3-waters activities and associated debt would be transferred to new entity by 2026. We are now actively pursuing opportunities to hedge interest rates when opportunities arise. However we are still outside of policy parameters.

Council has two interest rate swap notification alerts sitting with BNZ and ANZ, totalling \$9m nominal value. The banks will notify us if rates approach the levels we wish to transact at.

As with the previous reports we recommend that the Committee acknowledges that it is outside the recommended set parameters in relation to interest rate hedging, and notes for the reasons above that it approves noncompliance with the Policy recommendations.

**Interest Rate Strategy**

Staff continue to monitor opportunities for lowering Councils overall interest rate through the use of blend and extend interest rate hedging.

**4.2.2 Loan Maturities**

The Liability Management Policy stipulates **parameters for the maturity profile of Council’s loans**. The loan maturities at any point in time should be within the following bands:

As at 31 March 2024, the actual results were as follows:

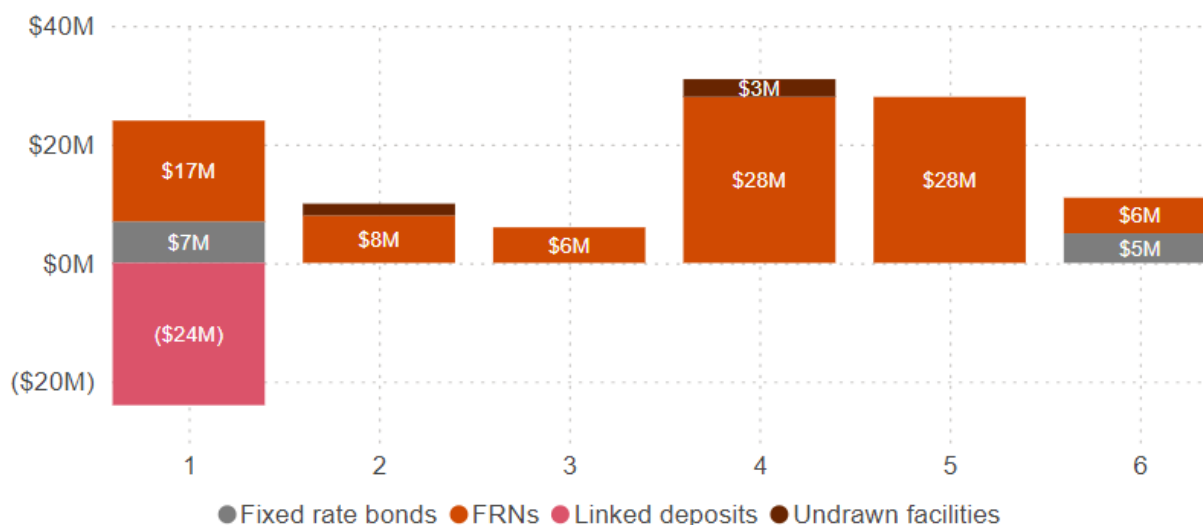
Loan Maturity Profile Limit			Proportion of maturities	Compliance with policy
Period	Minimum %	Maximum %		
0 to 3 years	15%	60%	19%	YES
3 to 7 years	25%	85%	81%	YES
7 years plus	0%	60%	0%	YES

This following chart shows the amount of debt by maturity date and demonstrates that Council is spreading its loan maturities.

In July 2021 Council entered into standby facilities with both the LGFA and BNZ

- LGFA - \$2m 15 month evergreen facility
- BNZ - \$3m 4 year facility.

**Funding and liquidity risk timeline**



The amount showing as available on the chart above is the amount of Council’s LGFA and BNZ flexible borrowing facility that are undrawn at 31 March 2024.

**Funding Strategy**

At present Council is within its funding parameters set under its Liability Policy. Council’s capital works programme requires a significant increase in borrowing over the next 24 months.

In light of recent debt placements it is envisaged Council will be compliant with Policy through to at least June 2024.

Council has prefunded the \$13m debt maturing in April 2024 in the October LGFA tender. Council prefunded \$11m debt maturing in August and October 2024 in the March 2024 LGFA tender.

**4.2.3 Liquidity**

The Liability Management Policy requires that the **Council will ensure that it has, at all times, sufficient funds available to meet its obligations as they fall due.**

The Liability Management Policy states that external term loans and committed debt facilities together with available liquid short-term investments must be maintained at an amount exceeding 110% of existing total external debt. This ensures the Council has sufficient funds available to meet its immediate cash outflow obligations as they fall due and are payable.

As at 31 March 2024, the actual results were as follows:

Policy Liquidity Ratio	Current Liquidity ratio	Compliance with policy
>=110%	112%	<b>YES</b>

The current liquidity ratio is compliant with Liability Management Policy. Staff and our treasury advisors undertook a review on possible options other than the BNZ flexible borrowing facility to meet liquidity requirements. Unfortunately, given the current fixed term deposit and overnight investment rates, other opportunities are not currently viable alternatives. Staff will continue to monitor this.

As Council’s borrowing increases we will need to increase our liquidity placements to remain compliant with Policy. At present based on anticipated borrowings Council will be non-compliant by May 2024.



#### 4.2.4 Credit-worthiness

To give the Council reasonable certainty that obligations will be honoured, the policy requires that in all borrowing and interest rate management transactions, its counterparties have a **long-term Standard & Poor's (or equivalent Fitch or Moody's rating) Credit rating of at least A or above and a short term rating of A-1 or above**. The policy also stipulates maximum borrowing amounts per counterparty.

The table below sets out the Policy requirements and Council's current position.

Counterparty	Minimum S&P long term/short-term credit rating	S&P rating as at Nov2022	Maximum borrowing per counterparty	Current amount borrowed	Compliance with policy
ANZ	A / A-1	AA-	\$20m	\$0.0m	<b>YES</b>
BNZ	A / A-1	AA-	\$20m	\$0.0m	<b>YES</b>
Westpac	A / A-1	AA-	\$20m	\$0.0m	<b>Yes</b>
LGFA	AA- / A-1	AA+/AAA <sup>(1)</sup>	Unlimited	\$91.0m	<b>YES</b>

<sup>(1)</sup>S&P rating was issued in March 2022. S&P Global Ratings raised the long-term foreign currency rating on LGFA to 'AA+' and long-term local currency rating to 'AAA', with a stable outlook.

#### 4.2.5 Giving of Loan guarantees

The Liability Management Policy provides for Council to act as a guarantor to bank loans for incorporated organisations which will provide, improve or develop amenities for recreation, amusement or the instruction of the public.

The total combined amount the Council may guarantee at any one time shall not exceed 10% of the general rates levied in any year. The maximum amount the Council may guarantee to any one qualifying organisation shall be 5% of total rates levied, except that in special circumstances the limit of 5% may be exceeded upon Council resolution.

Organisation	Guarantee
<b>Total guarantees</b>	\$Nil
<b>As a percentage of general rates set for 2021/22 (NB: ≤10%)</b>	0.0%
<b>Compliance with policy</b>	<b>YES</b>

The Policy requires that for each organisation that the Council has provided a loan guarantee the Council shall be provided with:

- A six-monthly unaudited financial report within three months of the first six months of the financial year.
- An annual audited financial report within four months of the balance date.
- A statement from the bank lending the money to the qualifying organisation each year that shows the principal outstanding at the end of that period and principal repayments made during the year.

### 4.3 **Investment Management Policy**

Council's Investment Management Policy refers to investments in organisations to meet Council's social or other priorities. Council has loaned money to three community organisations for this purpose, as follows:

<b>Organisation</b>	<b>Overview of arrangement</b>
Paeroa Community Support Trust	\$120,000 suspensory loan February 2020 – Approved by Council as part of the sale of 120 Normandy Road to the Trust. This loan is to be repaid by way of a capitalised grant to the Trust from the Paeroa Ward. The balance as at 31 January 2024 is \$84,000.
Goldfields Railway	On 27 October 2021 Council approved a 5 year \$20,000 loan to assist in funding re-roofing of the Train Shed, work on the Railway Houses and work on the railway track between Waihi and Waikino. The Loan is unsecured and interest free. The loan was drawn down on the 25 <sup>th</sup> March 2022. Current Loan balance as at 31 March 2024 is \$11,820.
Kerepehi Bowling Club	On 30 March 2022 Council approved a 5 year \$20,000 loan to assist in funding the upgrade of their clubrooms. The Loan is unsecured and interest free. The Loan was drawn down on 27 May 2022. Current Balance as at 31 March 2024 is \$13,000.
Kerepehi Bowling Club	On 29 March 2023 Council approved a further 5 year \$20,000 loan to assist in funding the upgrade of their clubrooms. The Loan is unsecured and interest free. The Loan has not been drawn as yet.

## 5 **TE ARA KI MUA | NEXT ACTIONS**

The table below sets out the next key steps:

<b>Action</b>	<b>Responsibility</b>	<b>By When</b>
Update the Treasury Report for the Committee	Finance Manager	June 2024

## 6 **WHAKAPAI | APPROVAL**

Prepared by	Steve Baker <b>Finance Manager</b>
Reviewed by	Duncan Peddie <b>Group Manager Business Support</b>
Approved by	Duncan Peddie <b>Group Manager Business Support</b>

## FOR INFORMATION NGĀ MŌHIOTANGA



To Finance Committee

Author Lisa Moore  
Project Manager Team Leader

Meeting date 22<sup>nd</sup> April 2024

File reference Document: 3601578  
Appendix A: 3563341- Mar 2024 Monthly Report - Utilities  
Appendix B: 3563342 - Feb 2024 Monthly Report - Land Transport  
Appendix C: 3563344 - Jan 2024 Monthly Reporting – Community Services

Subject **Higher Level Capital Projects**

### 1 TE WHAIKUPU | RECOMMENDATIONS

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THAT the Committee

- a) Receives the report titled Higher Level Capital Projects, (document number 3601578).

### 2 TE ARONGA | PURPOSE

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The purpose of this report is to provide the Committee with an update of the Capital Programme.

This update is provided as at March 2024 month end. The appended monthly reports include project level reporting.

### 3 WHAKAPAPA | BACKGROUND AND CONTEXT

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An update of the Capital Programme was provided to the Finance Committee in February 2024. The committee requested an update on the programme at each meeting moving forward. Below is a recap of the background provided in the February report as this remains valid with respect to performance within the current financial year.

The 2023/24 financial year has started out somewhat uncertain for the capital programme given the initial budget with carry forwards was sitting over \$50M with the Team set to deliver fairly well on this.

Following a Council workshop, and Council decision to defer some of the programme to ease cost increases; the budget is now \$41.6M, with a forecast spend of \$37.8M (approx. \$3.8M underspend).

While budgets were being finalised, the team did put a hold on making any significant financial commitments. The consequence of this is potentially missing the construction season for some projects / jobs as the procurement process and formalising of agreements weren't progressed. These resumed at the end of last (calendar) year.

This report is to explain where we are at on delivering the capital programme of work.

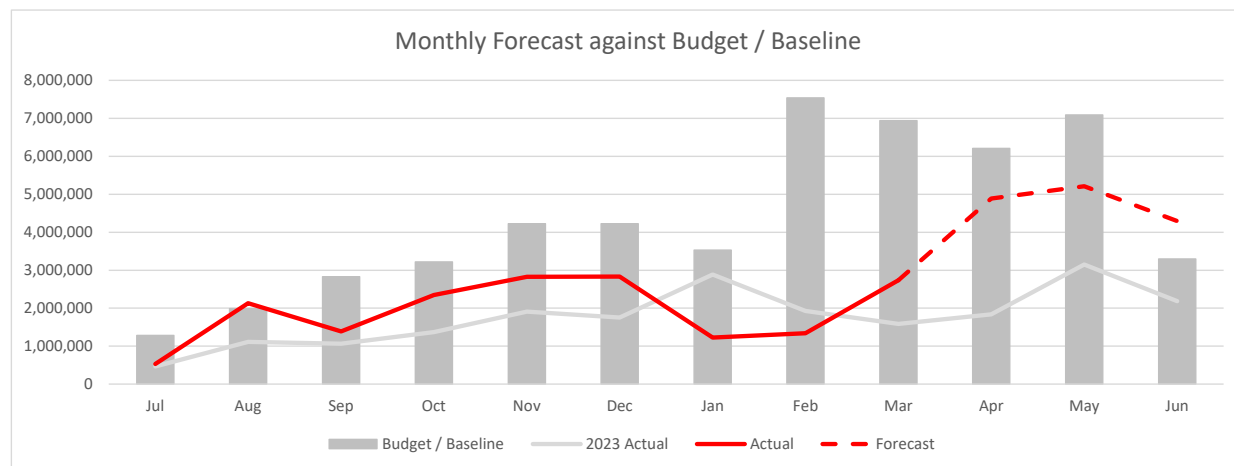
#### 4 CAPITAL PROGRAMME OVERVIEW

The 2023/24 capital budget is \$41.8M. The forecast as at March 2024 month end is \$31.8. We are currently projected a \$10M underspend. This is primarily in the utilities activities.

The baseline shown in charts below is from September, prior to the deferral process. For the purposes of this report the baseline and budget shows the impact the deferrals will make to expenditure.

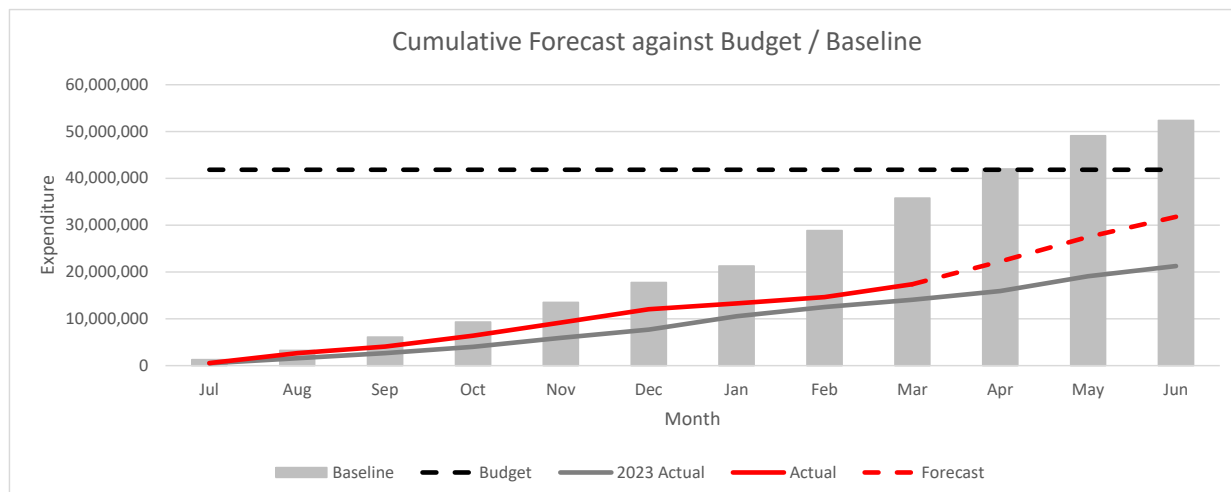
The capital programme forecast spend is currently sitting at 76% of the budget. Removing the Paeroa WWTP effect changes this to 79%.

Chart: Overall Capital Programme Monthly Plan versus Actual



	<b>Budget</b>	<b>Baseline</b>	<b>Actual + Forecast</b>	<b>Variance to Budget</b>	<b>Variance to Baseline</b>
Year to Date		9,217,778	13,542,438		4,324,660
2023/24 Full Financial Year	41,824,616	52,376,089	31,752,087	-10,072,529	-20,624,002

Chart: Overall Capital Programme Cumulative Budget versus Actual



Below the 'significant' underspends and overspends have been documented.

Significance has been determined by filtering up everything with an under or overspend forecast on the capex list, over a certain dollar amount stated in the table header.

Table: Capital Budget Underspends greater than \$500K

Project Name	Budget	Forecast Underspend	The Short Story
1272_001 - Waihi Second Membrane	4,153,365	2,613,703	Delays with agreeing detailed design have seen the contractor behind schedule. They have now (mid-March) taken possession of the site to commence works.
1279_001 - Raw water tank Kerepēhi	3,670,963	1,753,317	Construction has been pushed out however the tanks are being manufactured.
1263_001 - Paeroa Upgrading WWTP	3,560,000	1,602,507	This has gone to Council as a separate report. Contract has been signed.
1261_001 - Paeroa northern sewer	976,125	956,451	Being reported to Council relating to timing and funding of this project.
1238_001 - Hauraki Rail Trail - Waihi Extension	731,333	550,247	There have been delays obtaining DoC's agreement to cross their land. Nationally concessions have been a challenge. They have informed us of an additional 2 year delay once they hit the next step. We have also had an unexpected decision from key stakeholders. We will explore our options to determine the next stage. Focus is now on getting the trail into Waihi town centre.
<b>Total (of the above projects only)</b>	<b>13,091,786</b>	<b>7,476,225</b>	
<b>Total Underspends</b>		<b>13,223,714</b>	

Table: Capital Budget Overspend greater than \$50K

<b>Project Name</b>	<b>Budget</b>	<b>Forecast Overspend</b>	<b>The Short Story</b>
1027_001 - District Treatment Asset Renewals	239,644	361,799	Council Report in April to discuss options.
1059_001 - District Wide Reactive Renewals Plants Pumpstations	170,122	279,873	Council Report in April to discuss options.
1166_001 - Ngatea North Stage 4	5,430,398	200,000	Council Report to discuss options.
1305_001 & 1358_001 Hauraki Rail Trail Waitakaruru to Kopu	719,668	127,682	Council Report. The overspend will be covered by MBIE. A report will go to Council in May.
1129_001 - Waihi SW Waihi Upgrades	158,149	90,083	Council received a report with respect to Adams Street.
1340_001 - Pump Station Communication Upgrade	0	85,000	Council Report. \$104,540 was deferred after commitments were made.
1016_001 - Pavement Rehabilitation	1,612,994	56,788	Council Report. Deferrals to be brought forward.
1117_001 - WPDD (F1) - Primary SB Reconstruction	479,413	50,049	The project will be re-scoped to reduce expenditure.
1287_001 - Comprehensive stormwater discharge consents - district wide	46,099	31,000	Council Report for decision in May.
<b>Total (of the above projects only)</b>	<b>8,810,388</b>	<b>1,282,274</b>	
<b>Total Overspends (NB: some will be addressed / managed across to other budgets that are currently underspent)</b>		<b>3,151,186</b>	

## 5 OVERVIEW BY ACTIVITY GROUP

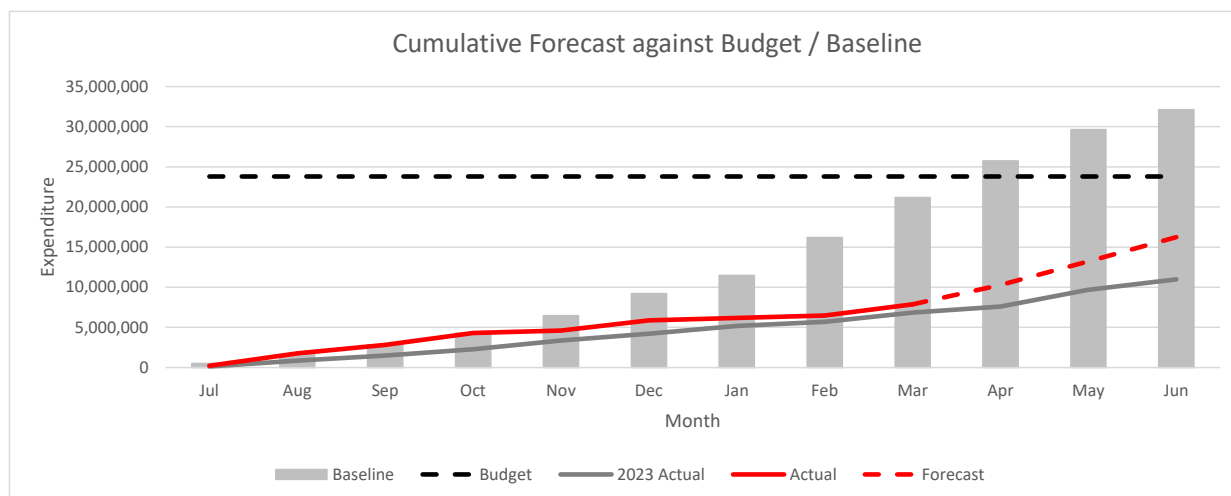
### UTILITIES OVERVIEW

The 2023/24 full year forecast as at March for Utilities is \$16.2M. As at December; the last utilities report; the forecast was \$19.9M. Actual spend in January and February was much lower than was forecast in December.

The budget is \$23.8M. An underspend of \$7.6M is now forecast.

The baseline shown in charts below is from September, prior to the deferral process. For the purposes of this report the baseline and budget shows the impact the deferrals will make.

Chart: Utilities Capital Programme Cumulative Budget versus Actual



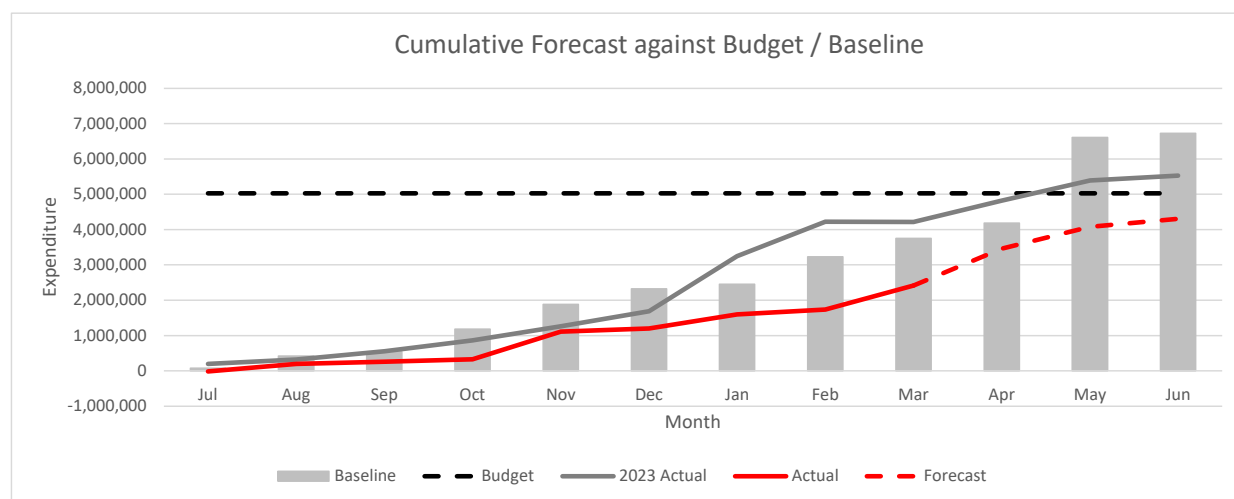
	Budget	Baseline	Actual + Forecast	Variance to Budget	Variance to Baseline
Year to Date		4,595,216	6,467,064		1,871,848
2023/24 Full Financial Year	23,804,899	32,113,338	16,245,036	-7,559,862	-15,868,302

### LAND TRANSPORT OVERVIEW

The 2023/24 full year forecast as at March for Land Transport is \$4.3M. The budget is \$5M, so we are projecting a \$700K underspend.

The baseline shown in charts below is from September, prior to the deferral process. For the purposes of this report the baseline and budget shows the impact the deferrals will make.

Chart: Land Transport Capital Programme Cumulative Budget versus Actual



	Budget	Baseline	Actual + Forecast	Variance to Budget	Variance to Baseline
Year to Date		1,110,321	1,881,021		770,700
2023/24 Full Financial Year	5,025,320	6,727,158	4,301,404	-723,916	-2,425,755

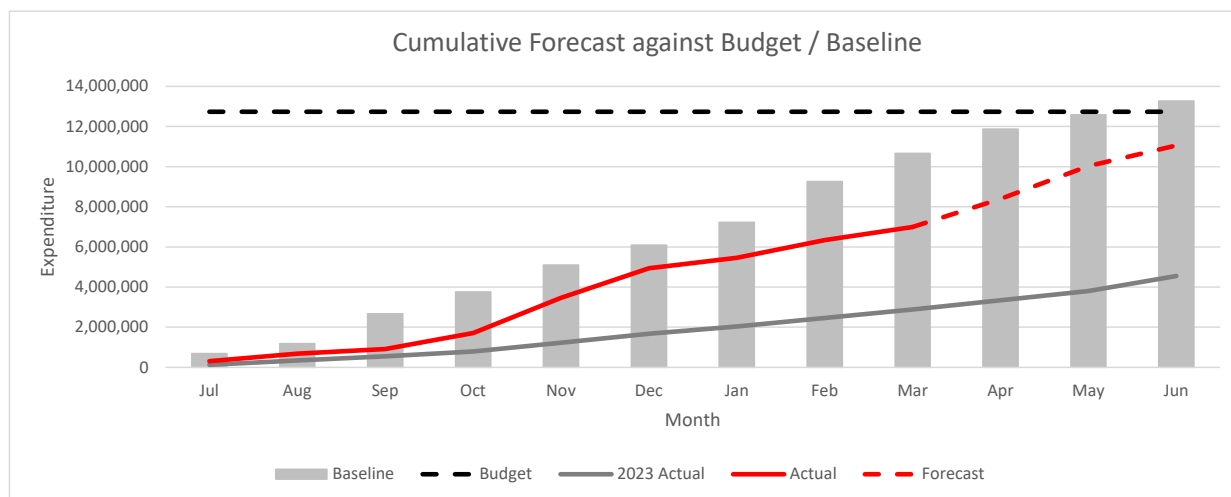


### COMMUNITY SERVICES OVERVIEW

The 2023/24 full year forecast as at March for Community Services is \$11M. The budget is \$12.7M, so we are projecting a \$1.7M underspend.

The baseline shown in charts below is from September, prior to the deferral process. For the purposes of this report the baseline and budget shows the impact the deferrals will make.

Chart: Community Services Capital Programme Cumulative Budget versus Actual



	<b>Budget</b>	<b>Baseline</b>	<b>Actual + Forecast</b>	<b>Variance to Budget</b>	<b>Variance to Baseline</b>
Year to Date		3,462,149	5,095,801		1,633,652
2023/24 Full Financial Year	12,734,297	13,274,768	11,054,404	-1,679,893	-2,220,364

**6 TE ARA KI MUA | NEXT ACTIONS**

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The table below sets out the next key steps:

Action	Responsibility	By When
None		

**7 TUHUTORO | REFERENCES**

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Not applicable.

**8 WHAKAPAI | APPROVAL**

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Prepared by	Lisa Moore <b>Project Manager Team Leader</b>
Reviewed by	Campbell Moore <b>Project and Operations Manager</b>
Approved by	Adrian de Laborde <b>Group Manager Service Delivery</b>

APPENDIX A - 2023/24 CAPEX REPORTING

SUMMARY OF PROJECTS – UTILITIES March 2024

2023/24 CAPITAL FORECAST OVERVIEW

Overview of the Capital Programme

The 2023/24 capital budget is \$41.8M. The forecast as at March month end is \$31.8. An underspend of \$10M is projected. This is primarily in the utilities activities.

The baseline shown in charts below is from September, prior to the deferral process. For the purposes of this report the baseline and budget shows the impact the deferrals will make.

The capital programme forecast spend currently sitting at 76% of the budget. Removing the Paeroa WWTP effect changes this to 79%.

Chart: Overall Capital Programme Monthly Plan versus Actual

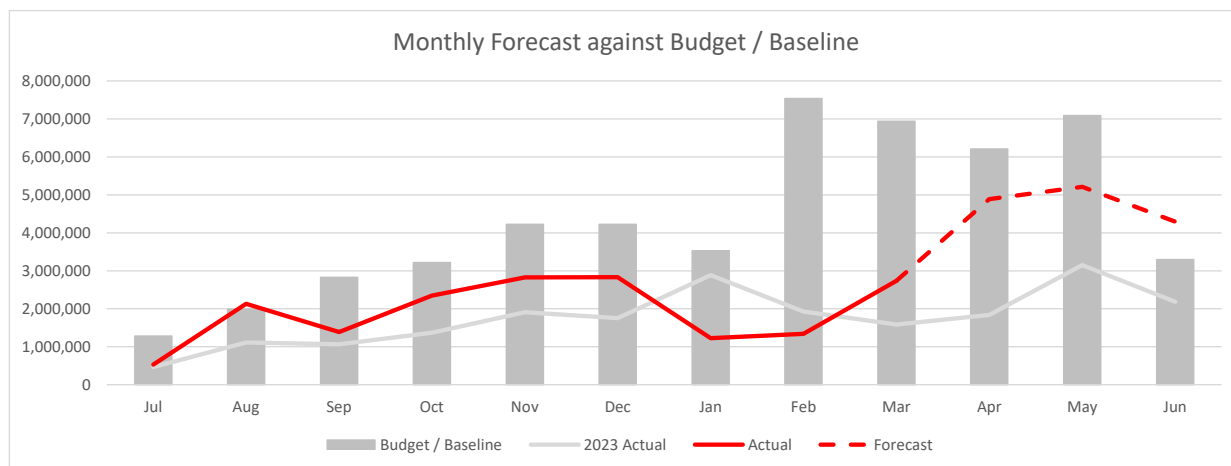


Chart: Overall Capital Programme Cumulative Monthly Plan versus Actual

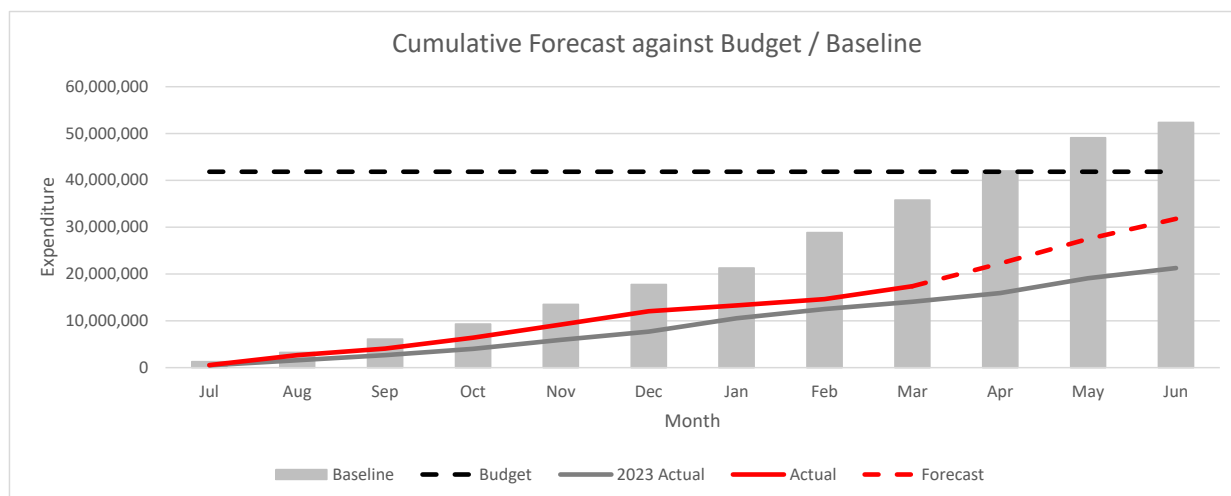


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<b>Total (of the above projects only)</b>	<b>13,091,786</b>	<b>7,476,225</b>	
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<b>Total Overspends</b> (NB: some will be addressed / managed across to other budgets that are currently underspent)		<b>3,151,186</b>

**Utilities Overview**

The 2023/24 full year forecast as at March for Utilities is \$16.2M. As at December; the last utilities report; the forecast was \$19.9M. Actual spend in January and February is much lower than was forecast in December.

The budget is \$23.8M. An underspend of \$7.6M is now forecast.

The baseline shown in charts below is from September, prior to the deferral process. For the purposes of this report the baseline and budget shows the impact the deferrals will make.

While the workshops and decisions for deferrals were undertaken; the PMO held off progressing any significant financial commitments. This has had an impact on delivery; as you can see the drop in November and continuing on for the remainder of the year.

See the charts below for the current monthly forecast versus budget.

Chart: Utilities Capital Programme Monthly Plan versus Actual

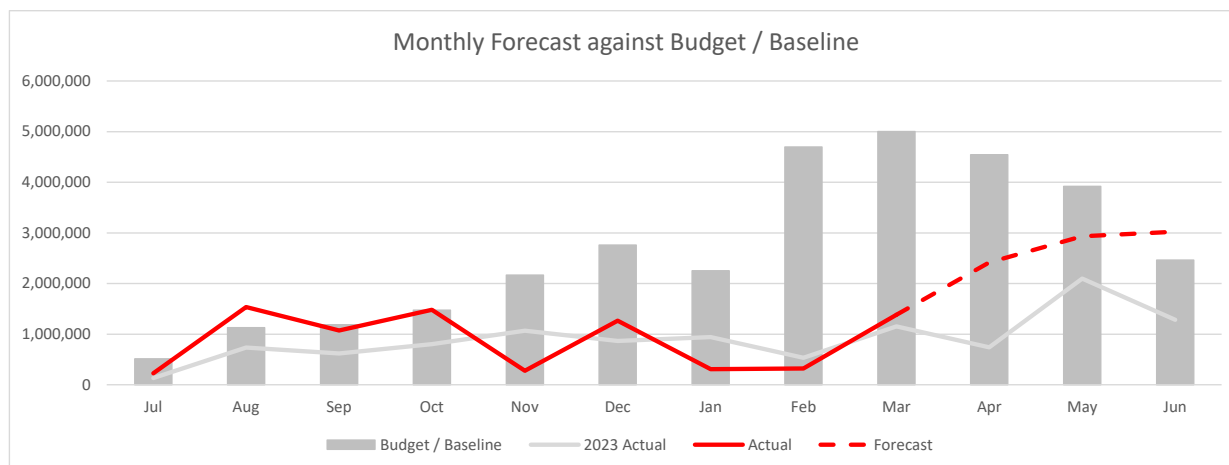
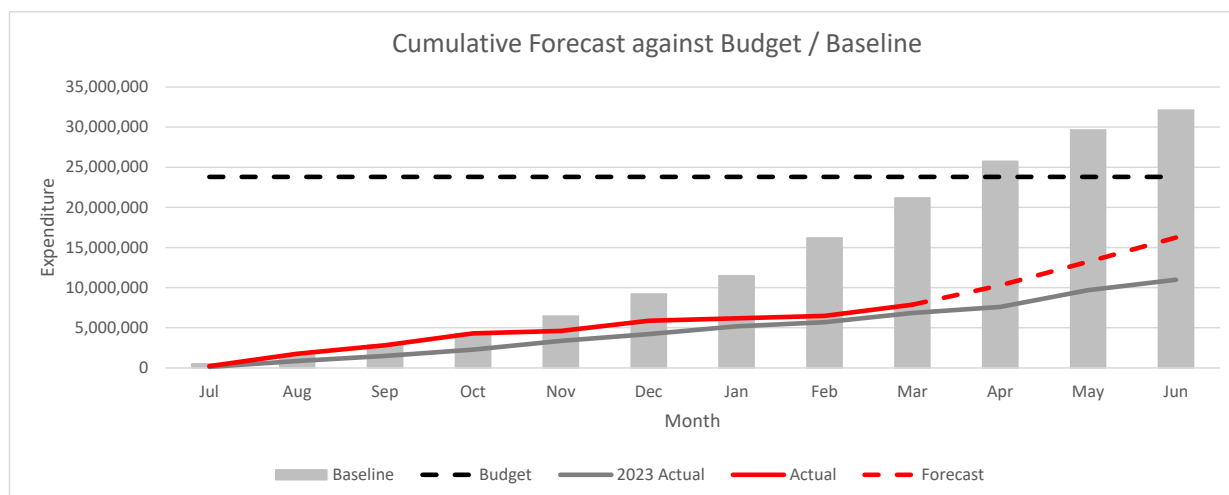


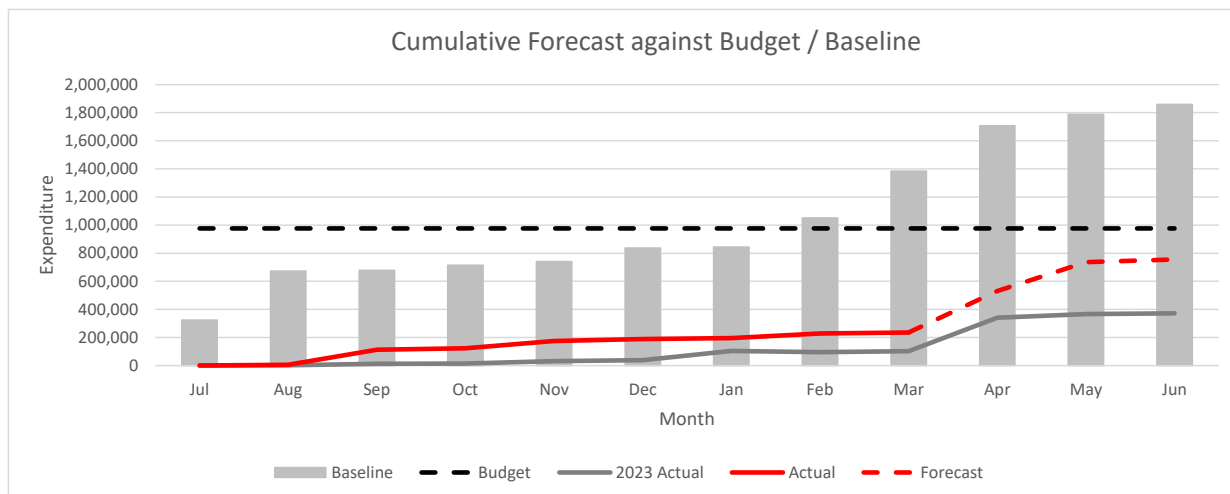
Chart: Utilities Capital Programme Cumulative Monthly Plan versus Actual



## 1 SUMMARY OF PROJECTS FOR LAND DRAINAGE OVERVIEW

The budget for Land Drainage is \$977K, with a December forecast of \$755K.

Chart: Land Drainage Capital Programme Cumulative Monthly Plan versus Actual



### 1114\_001 - WPDD Miranda Pumpstation

*Status: In progress* - This project involves replacing the roof at Miranda plus painting the spaceframe using internal resources. This work will be undertaken by the end of the financial year.

### 1117\_001 - WPDD (F1) - Primary Stop Bank Reconstruction

*Status: Construction* - The overall budget includes the three projects below:

Maukoro Canal stopbank: To be completed this financial year.

- The project manager has highlighted an overspend so the project will be re-scoped to reduce expenditure.
- Several items of additional works have been identified.
- Contractor has committed to start on 3/3/24 with a construction programme of 30 working days.



Maukoro Canal stopbank

Foreshore stopbank Stage 2: This is on hold due to insufficient budget, however needs to be completed at some point.

Hot Springs left stopbank completion: Close-out.

The image shows the left bank of Hot Springs Canal July 2023 taken from the upstream end near Back Miranda Road. The right stop bank was completed the previous year. The left stop bank increase was completed with reshaped berm plus canal diggings on top. The dried out diggings have been re-spread this month (April) for re-grassing and fencing to complete the works.



Hot Springs Canal

**1340\_001 – Pumpstation Communication Project**

*Status: In progress:* This project was deferred, however expenditure was committed prior to the deferral decision. This was missed in the reporting to Council. The project involves several pump stations including switchboards and setting up signal to test messaging. The activity manager will report to Council for decision.

**1342\_001 - Comprehensive Land Drainage Consent**

*Status: Implementation:* Project has been divided into Stages 1 and 2.

- Stage 1: Fixing and confirmation of strategy for consent with WRC - 90% complete.
- Stage 2: Implementation of strategy and lodging of consent application - to begin in March 2024.

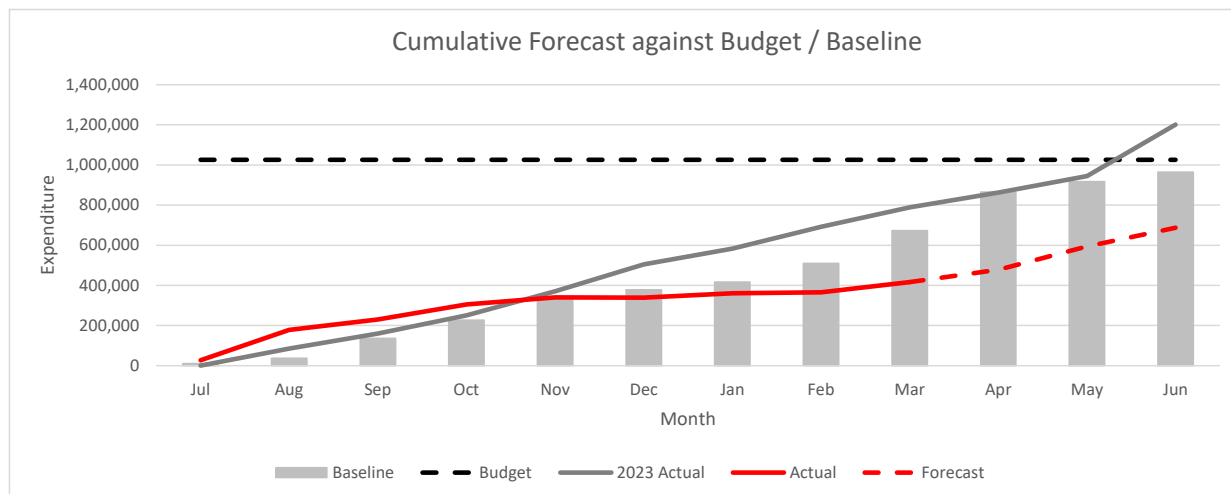
**Projects Currently on Hold or Deferred**

- 1107\_001 - WPDD Central North Pumpstation
- 1112\_001 - WPDD Mangawhero Flume Replacement
- 1117\_003 - Kaiarau Foreshore
- 1340\_001 – Pumpstation Communication Project

## 2 SUMMARY OF PROJECTS FOR STORM WATER OVERVIEW

The budget for Storm Water is \$1M, with a December forecast of \$687K. The project detail is below.

Chart: Storm Water Capital Programme Cumulative Monthly Plan versus Actual



### 1248\_001 - Criterion Bridge Storm Water Pumpstation Upgrade

*Status: Design* - Currently in discussions with WRC regarding discharge location at the current headwall upstream. The consent is ready to submit.



Criterion Bridge Pump Station

### 1287\_001 - Comprehensive Storm Water Discharge Consents - District Wide

*Status: Implementation* - WRC has agreed in principle to enable HDC to retain protection under s124 of the Resource Management Act and to continue to operate under the existing consents while applying for new consents.

S92 from WRC has been received on 22 March 2024 wherein they have sought further information on certain technical aspects and few other things which may involve Iwi engagement.

The project manager is flagging an overspend which will be reported to Council.

### 1294\_001 - Storm Water - Wharf Street 3 Waters Upgrade

*Status: Design* - Plan to progress in 2023/24 in advance of the Paeroa Streetscape.



**Ongoing Operational**

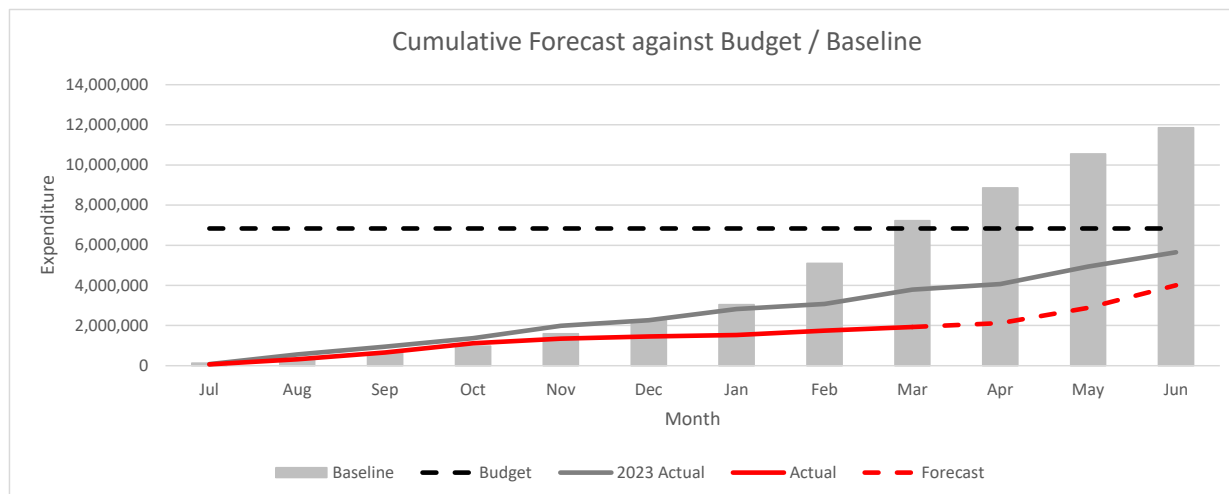
All operational capex – budgets are likely to be used or have been fully utilised.

- 1124\_001 – Storm Water Kaiaua Upgrades
- 1126\_001 – Storm Water Ngātea Upgrades
- 1127\_001 – Storm Water Paeroa Upgrades
- 1132\_001 – Storm Water Kaiaua Renewals
- 1133\_001 – Storm Water Kerepēhi Renewals
- 1134\_001 – Storm Water Ngātea Renewals
- 1135\_001 – Storm Water Paeroa Renewals
- 1136\_001 – Storm Water Turua Renewals
- 1137\_001 – Storm Water Waihi Renewals
- 1360\_001 – Storm Water Treatment Upgrades – Paeroa
- 1361\_001 – Storm Water Treatment upgrades – Waihi
- 1362\_001 – Storm Water Treatment upgrades – Ngātea
- 1363\_001 – Storm Water Treatment upgrades – Turua
- 1364\_001 – Storm Water Treatment upgrades – Kaiaua
- 1365\_001 – Storm Water Treatment upgrades – Whiritoa
- 1366\_001 – Storm Water Treatment upgrades – Kerepēhi

### 3 SUMMARY OF PROJECTS FOR WASTEWATER OVERVIEW

The budget for Wastewater is \$6.8M, with a December forecast of \$4M. The project detail is below.

Chart: Wastewater Capital Programme Cumulative Monthly Plan versus Actual



#### 1078\_001 - Waihi Resource Consents

*Status: Resource Consent* - Working with Fish & Game regarding their feedback and with contractor regarding response.

Next step is going to a hearing.

#### 1089\_001 – Whiritoa Irrigation Block Renewals

*Status: Construction* - Extra planting has been completed to replace dead loss. Spraying and removal of noxious weeds has taken place however more is required. Scheduled for the end of April 2024.

Spraying programme for the next three to four years has been scoped approved by asset manager.

#### 1090\_001 – Whiritoa Upgrading WwTP

*Status: Awaiting Construction Season* - SCADA upgrade, desludging and relining design completed. Contractor has provided final inputs for relining contract.

Engineers estimate and Asset Manager’s approval required to proceed.

Contract to be compiled for issue in July 2024 for summer construction of new liner and desludging.

#### 1258\_001 - Kerepēhi Sewer

*Status: Start-up* - Project requires scoping. The costs are likely to be more like \$200k. However the budget was utilised elsewhere.

Budget was used for Rata St relay due to an overspend there.

#### 1263\_001 – Paeroa Upgrading WwTP

*Status: Construction* - Contract has been awarded with kick off held late February 24.

Contract works insurance procurement is currently in progress with AoN. Contractors have in turn awarded contracts to their designer and membrane provider. Prelim design will now commence with the target of physical works commencement late 2024.

Please also refer to the Project Status Report attached.



Paeroa Wastewater Treatment Plant

#### **1263\_002 - Paeroa WwTP – Inlet Works RFT**

*Status: Design* - The Contractor is currently manufacturing the Inlet screens with delivery due mid-2024. Coincides with Paeroa WwTP.

#### **1267\_001 - Waitakaruru Resource Consents**

*Status: Resource Consent* - Winter ground water levels were measured and a seasonal land irrigation report was done.

Summer ground water levels have been measured in January and the report will be completed end of February.

The report is likely to confirm that seasonal land irrigation can be done. An Addendum to the consent application, which has already been accepted by WRC, will be completed requesting seasonal land irrigation.

#### **1320\_001 - Paeroa Meters**

*Status: Start-up* – Implementation from March 2024.

#### **Projects Completed this Financial Year**

- 1056\_001 - Wastewater Waihi DAF Sludge Process
- 1067\_001 - Paeroa - Pipe Renewals Hydraulic
- 1082\_001 - 083AP - Wastewater - Waihi East Manhole Repairs - Stage 3 with a \$26k underspend.

#### **Ongoing Operational**

All operational capex – budgets are likely to be used or have been fully utilised.

- 1057\_001 - District Wide Pipe Renewals Condition

- 1059\_001 - District Wide Reactive Renewals Plants Pumpstations
- 1060\_001 - District Wide Replacement Pumpstation Cabinets Etc
- 1061\_001 - District Wide Sewer Pump Renewals
- 1070\_001 - Paeroa VSD Renewals
- 1075\_001 - Waihi Aerator Component Renewals
- 1079\_001 - Waitakaruru Prostap Onsite Set Renewals
- 1080\_001 - Waitakaruru WwTP Component Renewals
- 1259\_001 - Pumpstations SCADA
- 1323\_001 - Paeroa UV Renewal
- 1328\_001 - Waihi Aerator Renewals
- 1330\_001 - Waihi SCADA Instrumentation Renewals

### **Projects Currently on Hold**

- 1051\_001 - Karangahake to Paeroa Wastewater Line – No budget.
- 1092\_001 - Step Screen Junction Road - On hold until the Paeroa inlet works are complete.
- 1261\_001 - Paeroa Northern Sewer - The Developer's contribution to the project is being ironed out which will determine the forecast for Council's contribution.
- 1266\_001 - New Storage Tanks at Waihi WwTP
- 1325\_001 - Pit Rim Sewer - the line had a camera review in February or thereabout to check flushing points and the pipe is in good condition. The issue is leachate build-up and unknown to HDC. At this stage this project is on-hold until it is backed up by data.
- 1344\_001 - Connection for Maori/Iwi Development – No budget.

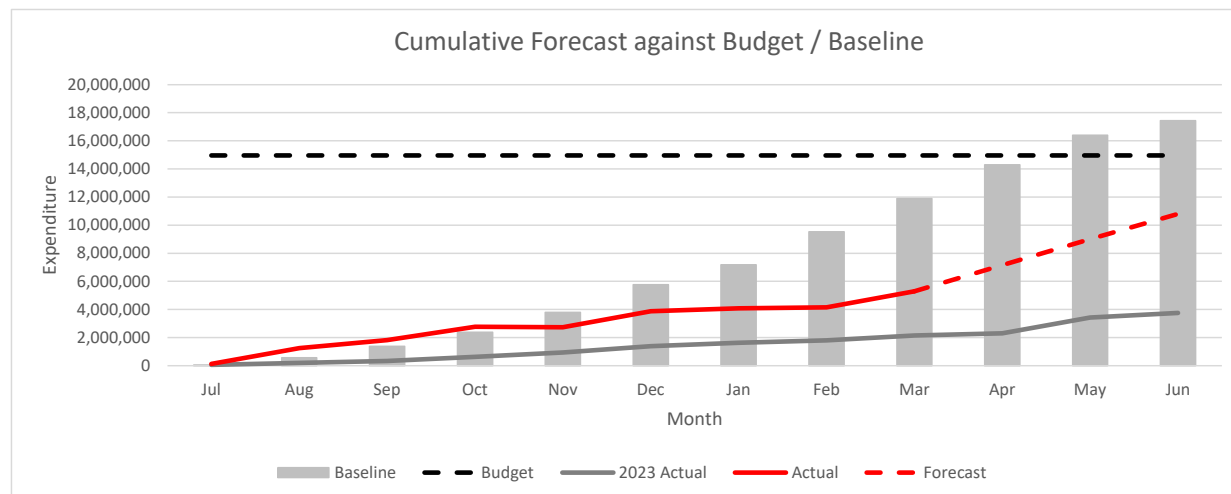
### **Projects Currently Deferred**

- 1062\_001 - Kerepēhi Resource Consents - With WRC for final feedback. Otherwise complete.
- 1187\_001 - Wastewater (Renewal) Paeroa Resource Consents
- 1262\_001 - Wastewater Consents (District wide)
- 1313\_001 - Ngātea New Pumpstation
- 1321\_001 - Paeroa Storage Chamber Pump
- 1343\_001 - Waitakaruru WwTP Upgrade
- 1370\_001 - Future Sewer Connection Plains to Paeroa

## 4 SUMMARY OF PROJECTS FOR WATER SUPPLY OVERVIEW

The budget for Water Supply is \$15M, with a December forecast of \$11M. The project detail is below. The underspend is with the Waihi Second Membrane project.

Chart: Water Supply Capital Programme Cumulative Monthly Plan versus Actual



### 1023\_001 – Ōhinemuri Pipeline Encasement

Status: Complete

### 1026\_001 - District Cast Iron Pipe Renewal & 1030\_001 - District Wide Pipe Renewal Programme

Status: Procurement - These projects have been merged. Decision report went to council in January 2024 to award contract.

### 1029\_001 - District Water Meter Renewals

Status: Procurement - The PM has organised for a contractor to transfer the first lot of 194 Meters over to billing.

There are a few data anomalies preventing this at present. The PMO is liaising with the contractor and Water Billing to rectify this. Once the First set of Smart Meters is online and working we will look to install the remaining meters.

### 1032\_001 – Karangahake Mackaytown Pump Refurbishments

Status: Start-up - The bearing life alert has been triggered. The contractor has been to site and they think the bearings are still good, but we are going to do one pump bearing replacement as a precaution.

### 1038\_001 - Paeroa Raw Water Pumps

Status: Awaiting Construction Season - Reconditioned pump has arrived, installation scheduled for April.

### 1271\_001 - Colour, Turbidity and pH Monitoring at Intakes

Status: Procurement - Exemption was approved; there is a possible delay on instruments arriving.

### 1272\_001 - Waihi Second Membrane

Status: Construction - Works have now commenced on site with the transformer located successfully, demolition of obsolete tanks and foundation works currently underway.

Stormwater and wastewater manholes are now in place and have been inspected and passed.

The foundation works have also passed geotechnical inspections and building control. Regular H&S inspections are underway and site safety audits. The programme has been brought forward and some progress is being made rapidly on site to make up for previously lost design time.

Please also refer to the Project Status Report attached.



Transformer location work underway

### **1277\_001 – Communications/Control Integration for Waitakaruru/Quarry/Mangatarata Intake**

*Status: Planning* - IT and the contractor are to come up with a plan to determine when this work will happen. Currently in the planning phase.

### **1278\_001 - Waihou Intake Control Upgrade**

*Status: Construction* - The order for parts has been placed, waiting on delivery. Kick-off meeting occurred in January 2023.

### **1279\_001 - Raw Water Tank Kerepēhi**

*Status: Construction* - Funding approved in August, contract awarded. Tanks are now in the country.

Please also refer to the Project Status Report attached.

### **1280\_001 - Kerepēhi Raw Water Main**

*Status: Construction* – 2.5kms of pipeline now laid, the contractor is laying approx. 180m per day - please also refer to the Project Status Report attached.



Kerepēhi Raw Water Main

Undocumented Water Connection





650mm-diameter pipe from the Pekapeka intake to the Kerepēhi water treatment plant.

### **1282\_001 - Concrete Pipe Replacement**

*Status: Construction* - Hauraki Rd; the pipes have been purchased. Work is planned for 2024.

### **1295\_001 - Water Supply - Wharf Street 3 Waters Upgrade**

*Status: Design* - Plan to progress this financial year ahead of the Paeroa Streetscape.

### **1298\_001 - Pressure Improvements Orongo**

*Status: Construction* – Work is currently underway.

### **1345\_001 - Steen Road Consent**

*Status: Implementation* - Stage 1: Complete. The Water Management Plan has been accepted by WRC.

Stage 2: In progress. Iwi participation with the Hauraki District Council Team. Iwi have advised that they do not support a consent application for an increased water take during high river levels, unless proof is delivered that all other options have been exhausted. A list of suggested options has been provided by iwi and escalated for direction.

Additional funding will be required for stage 2.

### **1346\_001 Cyanotoxin Investigation and Implementation**

*Status: Start-up* – Potentially operational, no update at this time.

### **1376\_001 - Repair the Gabions at the Quarry Intake**

*Status: Start-up* - It appears that one whole gabion was washed away and needs to be replaced. Existing gabions to be strengthened. Cost estimate to be done and additional funding will be required.

**1306\_001 - Housing of Generator – Kerepēhi**

This project was on hold however is now a priority. The containerised generator has been delivered (April) to the Kerepēhi Water Treatment Plant. Cables weighing 400kg are to arrive next.



Kerepēhi water treatment plant containerised generator

**Projects Completed this Financial Year**

- 1331\_001 - Waihi WTP Plant Screening
- 1023\_001 - Ōhinemuri Pipeline Encasement

**Ongoing Operational**

All operational capex – budgets are likely to be used or have been fully utilised.

- 1027\_001 - District Treatment Asset Renewals
- 1035\_001 - Kerepēhi UV Lamps Renewal
- 1041\_001 - Paeroa UV Lamps
- 1047\_001 - Waitakaruru UV Lamps Renewal
- 1281\_001 - Self-Cleaning Colour Sensors for Paeroa and Waihi
- 1273\_001 - Waitakaruru Dose Pump Renewals
- 1310\_001 - Mangatarata Intake Flowmeter
- 1312\_001 - Mangatarata Intake VSD
- 1333\_001 - Waitakaruru Backwash VSD
- 1334\_001 - Waitakaruru Reticulation 1 VSD
- 1335\_001 - Waitakaruru Reticulation Flowmeter
- 1373\_001 - Paeroa Membrane Renewals
- 1374\_001 - Waihi Membrane Renewals
- 1375\_001 - Waihi Plant Outflow Meter

**Projects Currently on Hold**

- 1181\_001 - Manganese Treatment
- 1300\_001 - Second Intake for Paeroa (Resilience)
- 1311\_001 - Mangatarata Intake Pump Renewal

**Projects Currently Deferred**

- 1341\_001 - Paeroa Raw Water Main
- 1372\_001 - Cyanotoxin Treatment for the Waitakaruru WTP
- 1371\_001 - Generators for Treatment Plants
- 1028\_001 - District Upgrading and Replacing of SCADA Equipment



- 1269\_001 - Ventilation for Membrane Cell Rooms, MCC's, etc
- 1297\_001 - Plains and Paeroa Water Connection

5 PROJECT STATUS REPORT - 1263\_001 - PAEROA UPGRADING WWTP

**1. SUMMARY** **2. PROJECT PROGRESS INDICATORS** **3. ACHIEVEMENTS / WINS**

**Programme Activity:** Three Waters  
**Activity:** Wastewater  
**Project location:** Paeroa  
**Capital Project:** Yes

**Project Description:**  
 Paeroa WwTP has secured a short-term, 5-year resource consent to enable the WwTP to continue to operate while a new WwTP is designed, consented and constructed.  
 The project involves a significant upgrade to the WwTP to comply with existing discharge consent and allow for catchment growth.

KEY: Not on Track / Major Issues Not on Track, but plan in place Achieved / On Track

➔ A Point to Note / Escalate

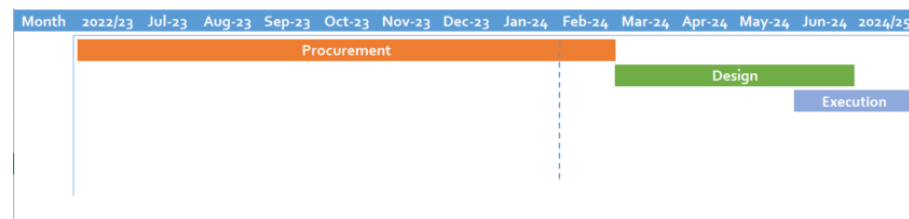
Measure:	Status:	Note against Baseline:
<b>Time:</b>		Completion date approved by Council is now mid-2026 and is forecast to be within this timeframe.
<b>Scope:</b>		Scope of works has been confirmed by Council
<b>Cost:</b>		Total budget has now been increased and the works are currently forecast within budget.
<b>State Date:</b>	1 July 2022	Second FY of project
<b>Projected End Date:</b>	31 March 2026	Baseline Mid-2026

- Including Innovation, Savings and Carbon Commentary*
- The contract has been conformed and signed with Spartan Construction Ltd.
  - Preliminary design is to commence shortly with the contractors designer.
  - The Principal Advisor has been engaged to support the review of prelim design phase.
  - The unsuccessful contractor has been notified and de-brief has been held, stipend has been paid.
  - Application for mains power supply (750kVA) has now been lodged.
  - Insurance provider is currently engaging with the market to provide contract works insurance to Council.



Concept design render of the new proposed WwTP.

**4. TIMELINE** **5. KEY ISSUES** **6. MAJOR RISKS & MITIGATIONS**

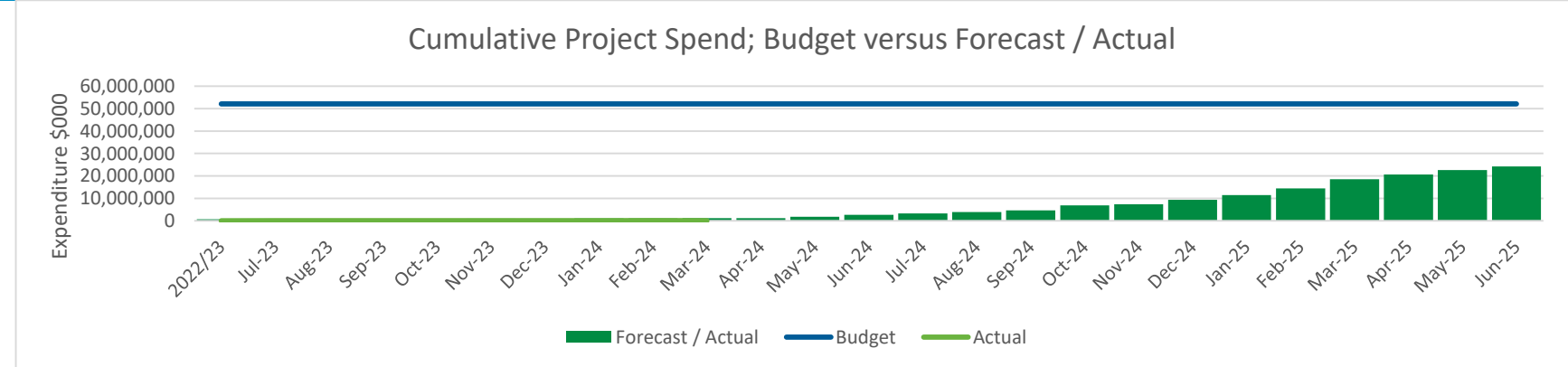


- Including Health and Safety, number of site visits and audits undertaken*
- Influent data has been found to show increased loads into the plant which may necessitate an increase in process plant reactor (ASR) sizing. Spartan and their designer are working through the impacts of this. This is likely to result in a larger plant and therefore larger cost.**
  - The influent loads have been formally issued to the contractor and an early warning is now raised in relation to this potential change. A meeting is now scheduled with HDC's technical advisors and the contractor to work through this change. There is a likelihood this will result in a cost increase if the plant size is increased.

- Top three only. Based on risk management framework M: 2823491 (category: financial, H&S, human resources, legal, reputation, operational, project impacts, natural environment)*
- Major & Likely:**  
R001 - Influent loads result in a cost increase  
 • This was identified at the decision paper to council that there is a risk the cost of the plant will increase as a result of increased loads.
  - Major & Likely:**  
R002 - Resource consent for treated effluent discharge has not yet been approved.  
 • Assume the most onerous discharge consent conditions will apply and design accordingly. Progress consent in parallel of the main plant upgrade works.
  - Major & Likely:**  
R003 - Design and construction tender price exceeds allocated budget.  
 • Active contract and risk management to be deployed. Variations to be tesetd by independent quantity surveyors where required

**7. KEY ACTIONS / DECISIONS / NEXT STEPS** **8. FINANCIAL FORECAST**

- Preliminary design kick off.
- Procurement of contract works insurance.
- Development of detailed works programme to target establishment by October 2024.



Note: future FY26 is not shown for simplicity

6 PROJECT STATUS REPORT - 1272\_001 – WAIHI WTP SECOND MEMBRANE

1. SUMMARY 2. PROJECT PROGRESS INDICATORS 3. ACHIEVEMENTS / WINS

**Programme Activity:** Three Waters  
**Activity:** Water  
**Project location:** Waihi  
**Capital Project:** Yes

**Project Description:** Waihi WTP currently has a single water treatment membrane unit. The project seeks to add resilience by providing an additional membrane process train to mitigate the risk of an unforeseen failure of the existing membrane.

KEY:	Not on Track / Major Issues	Not on Track, but plan in place	Achieved / On Track
	A Point to Note / Escalate		
<b>Measure:</b>			
<b>Time:</b>			The contractor is late in provision of pre-construction deliverables.
<b>Scope:</b>		On track	
<b>Cost:</b>		On track	The project is expecting to operate within the approved budget authorised in the 31 May 2023 Council meeting.
<b>State Date:</b>	Sep 2022		Authorisation provided in September 2022
<b>Projected End Date:</b>	October 2024		As approved in the 31 May 2023 Council meeting.

- The contractor now has possession of site and construction works have commenced.
- Plant first planned shutdown has been undertaken successfully on 23 March 2024 to relocate the main transformer away from the extended building.
- Drainage manholes are in place and inspected.
- New membrane air panels are being fitted out and positioned.
- Weekly site meetings are now in effect with the operations team, contractor and project manager.
- Piles have been driven and quality assurance documentation provided by independent geotechnical engineer. The concrete slab pour is now been authorised.
- Service detection and site setup is complete, mains communication cable has been identified and protected.



4. TIMELINE

Month 2022/23 Jul-23 Aug-23 Sep-23 Oct-23 Nov-23 Dec-23 Jan-24 Feb-24 Mar-24 Apr-24 May-24 Jun-24 2024/25



Manhole installation for storm water and w. water

5. KEY ISSUES

Including Health and Safety, number of site visits and audits undertaken

- 588 hours have been worked to date on site with 2 minor incidents raised. Incident reports are currently being drafted and will be logged in HDC system. Incident 1 relates to minor damage of pipe fitting when demolishing a redundant tank, this has since been repaired. The second incident is an unexpected loss of water supply to nearby residents during the first planned site shutdown. The findings suggest a small number of residents are supplied water using a pump system. When the power was switched off this pump stopped and didn't restart until the generator was connected. This will be managed for future shutdowns, however, a wider risk remains for on-going operation. **Given this issue, the project will explore solutions, options and costings to address this.**
- Minor variations are expected which will result in some cost increase. These are attributed to additional effort required in demolishing the obsolete tank and installation of pressure gauges on all discharge lines on pumps.

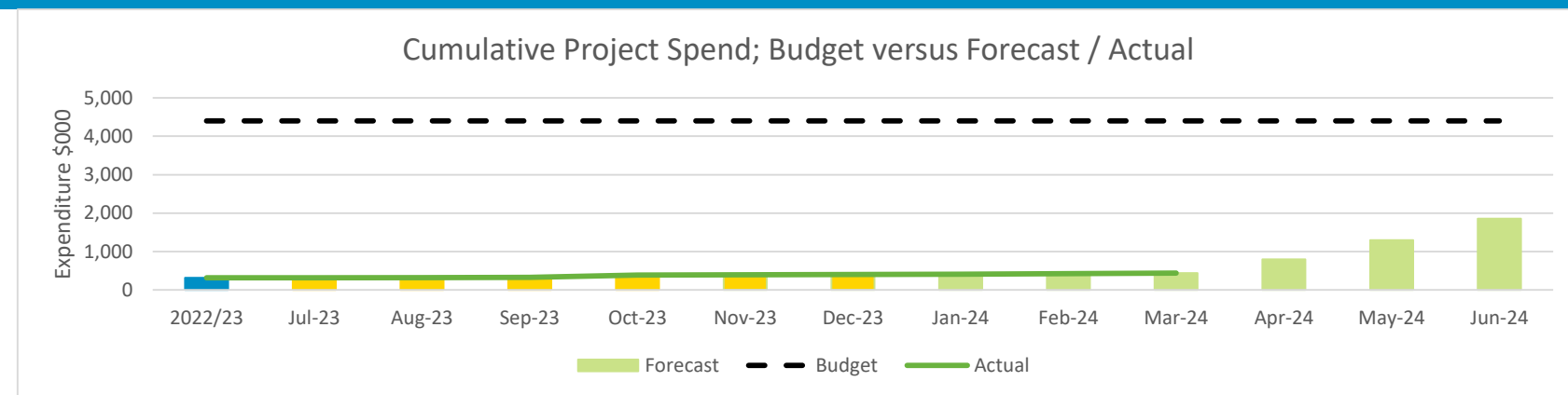
6. MAJOR RISKS & MITIGATIONS

- Major & Likely:** R001 - Operational and commissioning of the works.
  - Risk of water production impacts due to outages over the course of the works. To be managed carefully with a detailed sequence plan and operations engagement.
  - Due Date 1 Aug 2024
- Moderate & Likely:** R002 - Project programme at risk of slippage.
  - Programme to be provided highlighting key milestones. Raise early warnings for areas where slippage may occur. Key timeframes made clear to all suppliers and designers.
  - The current contract programme is projecting 3 months extension on the baseline programme due to delays in design.
- Moderate & Likely:** R003 - Contractor resourcing and/or performance issues
  - The contractor is reliant on several sub-contractors for the delivery of the works. There is a potential risk of performance or interface issues. This is mitigated by proactive contract management by HDC with pre-empting and mitigating likely points of failure.
  - Regular meetings are held to ensure the contract works are progressing, reported on and minuted.
- Minor & Almost Certain:** R004 - some additional scope
  - It was found some residents are supplied water by a independent pump,, resolving this is outside the project scope, however, it is a risk for on-going plant operation.
  - Options for resolutions and costings are currently being developed.

7. KEY ACTIONS / DECISIONS / NEXT STEPS

- Membrane building extension earthworks to be undertaken and foundation (piles) to be started.
- Establish active presence on site (multiple times a week).
- Engagement of professional advisor for construction monitoring support.

8. FINANCIAL FORECAST



FY26 spend is not shown for simplicity



7 PROJECT STATUS REPORT - 1279\_001 - KEREPEHI RAW WATER TANKS

### 1. SUMMARY

**Programme Activity:** Water Supply

**Activity:** Renewals

**Project location:** Kerepēhi Water Treatment Plant

**Capital Project:** Yes

**Project Description:**  
Build additional raw water storage tanks at Kerepēhi Water Treatment Plant with associated connection pipework. The new reservoirs will add around 4 million litres additional storage.

### 2. PROJECT PROGRESS INDICATORS

KEY: Not on Track / Major Issues Not on Track, but plan in place Achieved / On Track  
➔ A Point to Note / Escalate

Measure:	Status:	Note against Baseline:
Time:	Delayed	Delay in design of foundation caused by late reporting of geotechnical review.
Scope:	On track	
Cost:	On track	
State Date:	2 August 2023	
Projected End Date:	31 July 2024	September October looking at 6-8 week delay.

### 3. ACHIEVEMENTS / WINS


*Including Innovation, Savings and Carbon Commentary*

**Innovation, Savings and Carbon Commentary**

- Design of the tanks and associated pipework is complete.



### 4. TIMELINE



### 5. KEY ISSUES

*Including Health and Safety, number of site visits and audits undertaken*

- A review of geotechnical information was received later than expected with costs higher than initial option.

### 6. MAJOR RISKS & MITIGATIONS

*Top three only. Based on risk management framework M: 2823491 (category: financial, H&S, human resources, legal, reputation, operational, project impacts, natural environment)*

**Major & Likely:**  
Review of geotechnical information in respect to seismic events

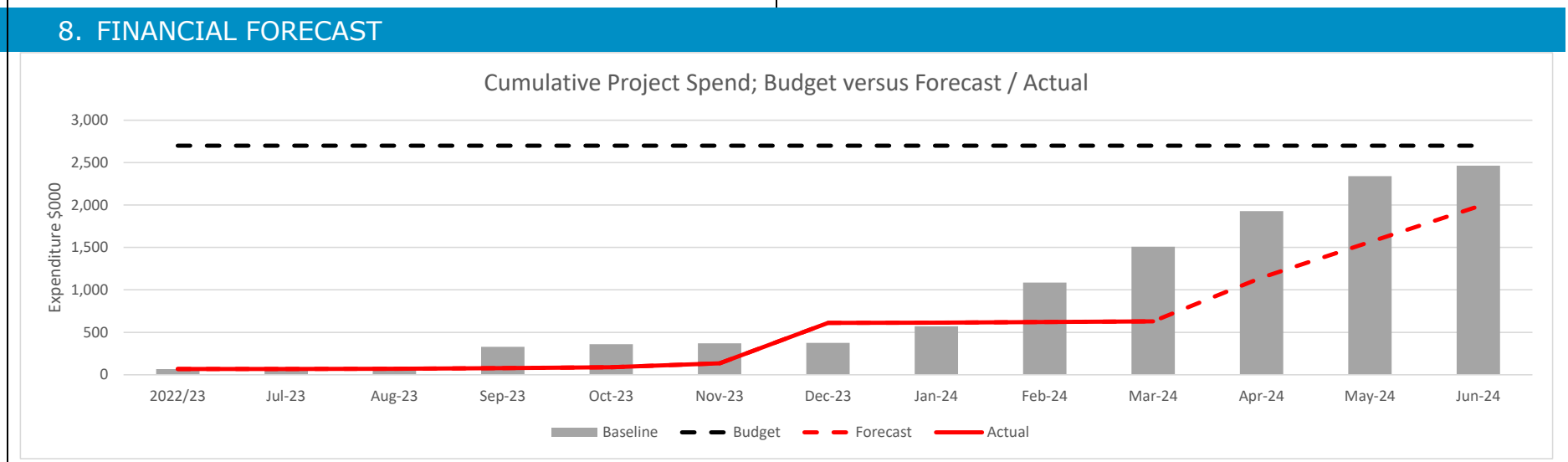
•Tank Supplier geotechnical review delivered late with increase in pricing. Completing design of ground improvement with initial selection due to be complete by end of April 2024.

**Moderate & Likely:**  
Connection pipeline

•Connection pipework redesigned in-house, working with Raw water main contractor to confirm connection and installation.

### 7. KEY ACTIONS / DECISIONS / NEXT STEPS

- Design of tanks and manufacturing complete. Currently at the port.
- Design of foundations to be done. Geotechnical report has been received.
- Pipeline specification review for extension of raw water main.
- Review of risks with methodology of connecting pipeline is currently being undertaken.
- Review of risks with methodology of connecting pipeline being undertaken.



8 PROJECT STATUS REPORT - 1280\_001 - KEREPEHI RAW WATER MAIN

1. SUMMARY 2. PROJECT PROGRESS INDICATORS 3. ACHIEVEMENTS / WINS

**Programme Activity:** Water  
**Project location:** Plains  
**Capital Project:** Yes

**Project Description:**

This project will increase resilience in the network and provide security of the raw water supply to the Kerepēhi Water Treatment Plant (WTP).

Replacement of the current 450mm-diameter pipe from the Pekapeka intake to the WTP.

A total of 5.3 kilometres of a 630mm-diameter raw water intake pipe is being laid which will connect to the two new raw water storage tanks being constructed at the WTP.

2. PROJECT PROGRESS INDICATORS

KEY: Not on Track / Major Issues Not on Track, but plan in place Achieved / On Track  
➔ A Point to Note / Escalate

Measure:	Status:	Note against Baseline:
Time:		
Scope:		
Cost:		
State Date:		
Projected End Date:		

3. ACHIEVEMENTS / WINS

*Including Innovation, Savings and Carbon Commentary*



**Innovation, Savings and Carbon Commentary**

2.5kms of pipe laid to end of March 2024, the contractor is laying approx. 180m per day.

4. TIMELINE



5. KEY ISSUES

*Including Health and Safety, number of site visits and audits undertaken*

- **Health and Safety:**

6. MAJOR RISKS & MITIGATIONS

*Top three only. Based on risk management framework M: 2823491 (category: financial, H&S, human resources, legal, reputation, operational, project impacts, natural environment)*

**Moderate & Likely:**

- Land owner negotiations underway and ongoing

**Minor & Almost Certain:**

- Butterfly valve installation – working on detailed design/solution

7. KEY ACTIONS / DECISIONS / NEXT STEPS

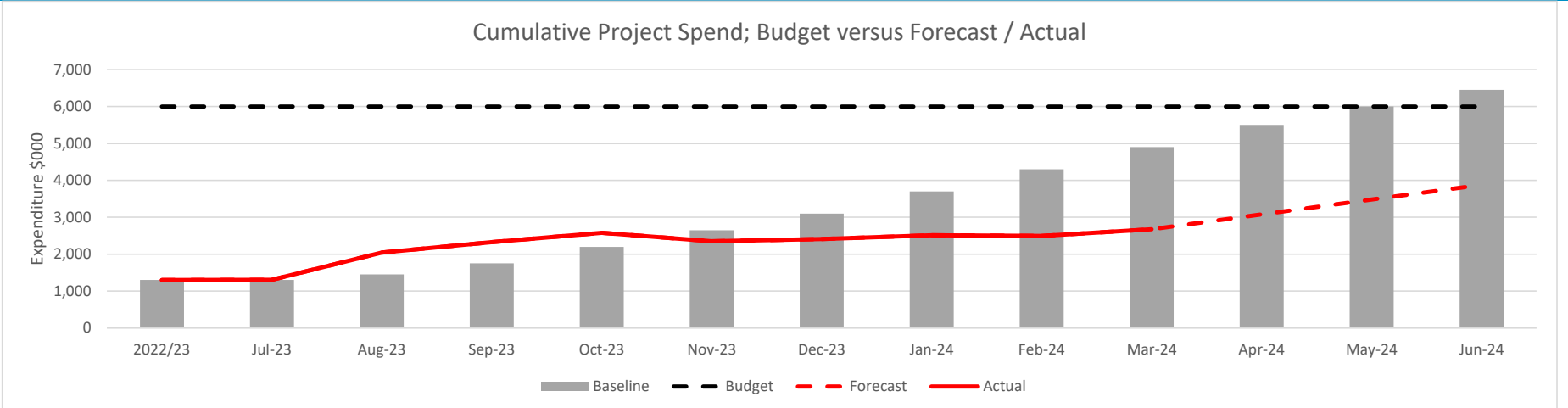


Drilling under SHWY2 – mid April 2024.

Completion of detailed design for connections at to tanks and intake.

Confirmation of butterfly valve design and installation.

8. FINANCIAL FORECAST



## APPENDIX B - 2023/24 CAPEX REPORTING

### LAND TRANSPORT SUMMARY OF PROJECTS – FEBRUARY 2024 MONTH END

#### 1 2023/24 CAPITAL FORECAST OVERVIEW

##### Overview of the Capital Programme

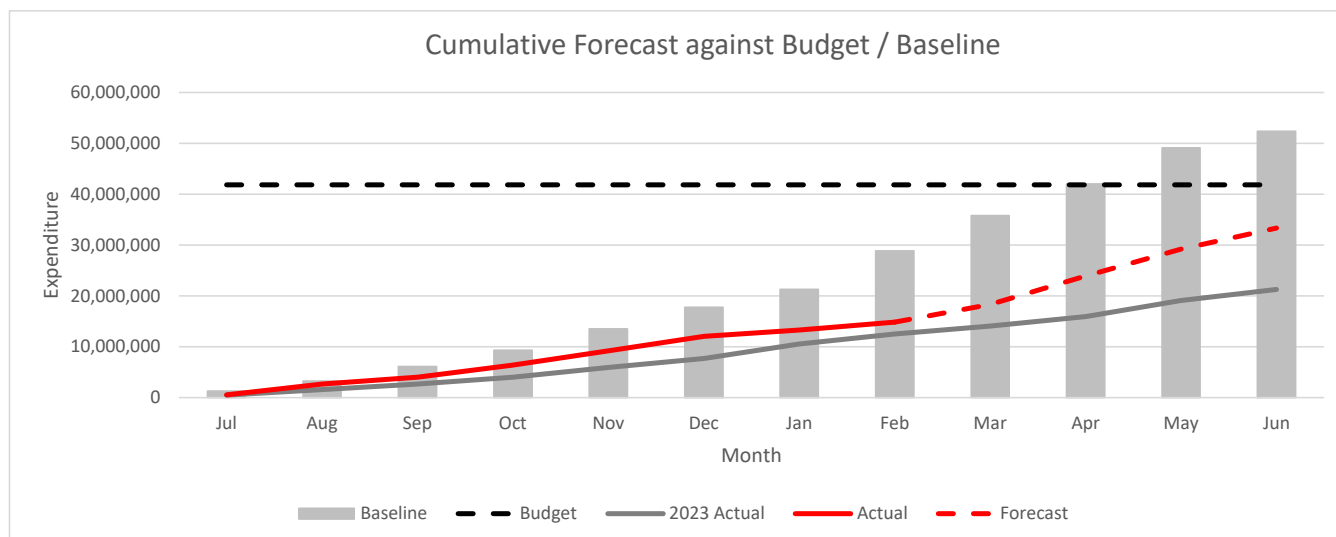
The 2023/24 capital budget is \$41.8M. The forecast as at February month end is \$33.3. An underspend of \$8.4M is projected. The capital programme forecast spend currently sitting at 80% of the budget.

The large underspends are summarised below.

Table 1: Primary Capital Budget Underspends over \$500K

Project Name	Budget	Forecast Underspend	The Short Story
1238_001 - Hauraki Rail Trail - Waihi Extension	731,333	545,401	There have been delays obtaining DoC's agreement to cross their land. Nationally concessions have been a challenge. They have informed us of an additional 2 year delay once they hit the next step. We have also had an unexpected decision from key stakeholders. We will explore our options to determine the next stage.
1261_001 - Paeroa northern sewer	976,125	757,191	On hold while an agreement with the developer is completed.
1263_001 - Paeroa Upgrading WWTP	3,560,000	1,380,761	This has gone to Council as a separate report. Contract has been signed.
1272_001 - Waihi Second Membrane	4,153,365	2,844,370	Delays with agreeing detailed design have seen the contractor behind schedule. They have now (mid-March) taken possession of the site to commence works.
1279_001 - Raw water tank Kerepehi	3,670,963	1,564,175	Construction has been pushed out however the tanks are being manufactured.
<b>Total</b>	<b>13,091,786</b>	<b>7,091,898</b>	

Chart 1: Hauraki District Council Capital Programme – Cumulative Budget versus Forecast

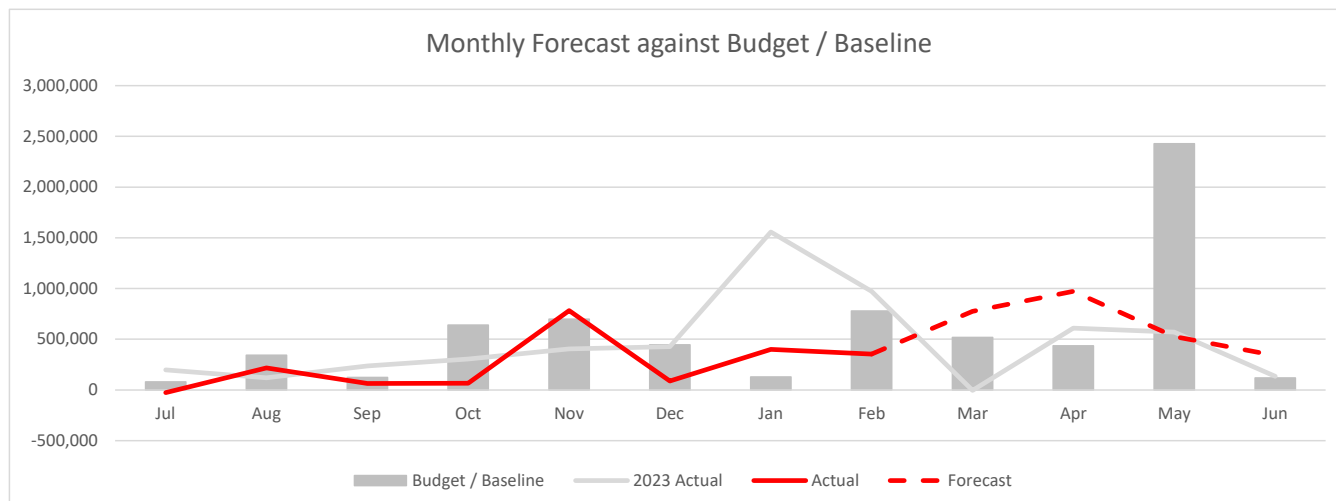


**Overview of the Land Transport Capital Programme**

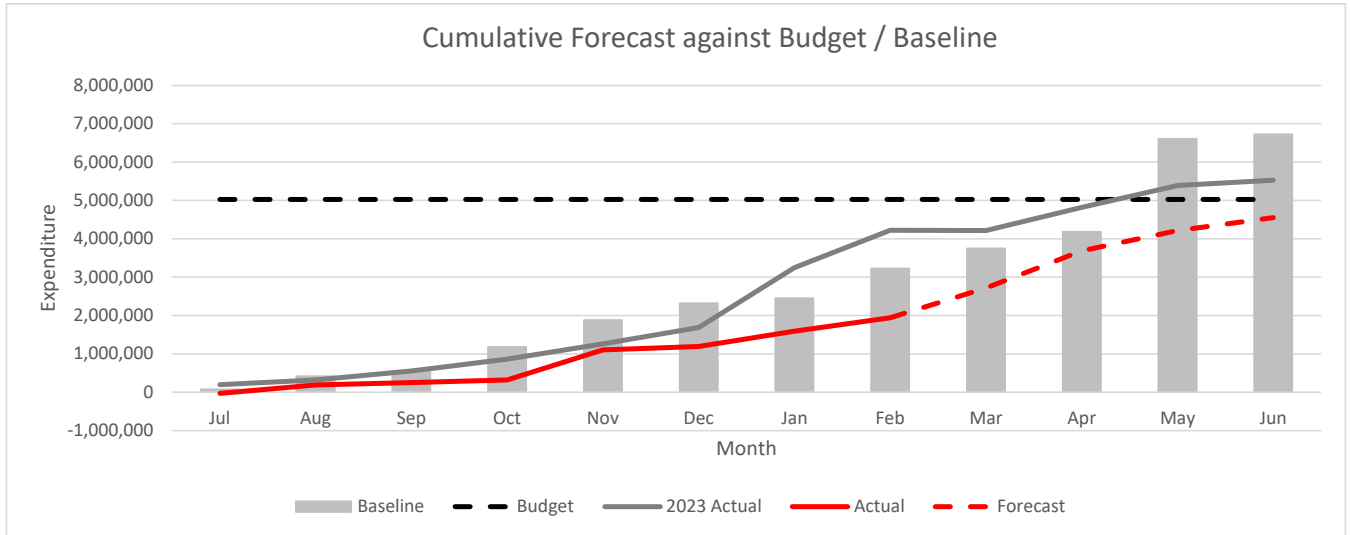
The Land Transport budget for 2023/24 is \$5M. The forecast as at the February month end is \$4.6M. The \$400K underspend can be attributed to;

- 1) The Paeroa Footpath renewals (\$330K underspend), which will have options worked through with NZTA and the Paeroa Ward Councillors this financial year, and be dependent upon NZTA funding for the construction works next financial year.
- 2) The Structures Component Replacement (\$93K underspend), which has seen delays with the contractor undertaking inspections. This requires unspent budget to be carried forward for the contract in 2024/25.

Chart 2: Land Transport Capital Programme - Budget versus Forecast



**Chart 3: Land Transport Capital Programme – Cumulative Budget versus Forecast**





## 2 SUMMARY OF PROJECTS

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### 1001\_003 - DEAM ROAD - LAND PURCHASE

**Status: Implementation**

The survey office (SO) plan has been lodged with LINZ.

Culvert is to be installed in March 2024.

The land transfer is expected to be complete in May 2024.

### 1001\_010 - SPEED MANAGEMENT PLAN AND IMPLEMENTATION

**Status: Design**

The physical works was deferred at the capex review. Year 1 designs have been completed. Year 2 designs need to be finalised. The school is dependent on NZTA's programme. The working budget for 2023/24 is \$75k and consists of finalising package 2, scoping schools, and communication for areas most affected; for example Kaiaua; the scope needs to be approved with the Roding Manager.

### 1004\_001 - NEW FOOTPATHS – WAIHI

**Status: Ongoing**

Scoping required with a plan to have this work completed this financial year.

### 1009\_001 - DRAINAGE RENEWALS

**Status: Ongoing Operational**

The budget has been fully committed and is likely to be exceeded by \$34K due to urgent replacement of the culvert on Orongo Road.

The contractor has completed an inspection of the drainage assets and we are now waiting on the report.

Next year's renewal programme will be developed from the inspection report which is expected to be supplied mid-March 2024.

### 1019\_001 - TRAFFIC SERVICES RENEWAL

**Status: Ongoing Operational**

Same commentary as 1009\_001 Drainage renewals; combined these have a \$34K overspend.

### 1011\_003 - FOOTPATH RENEWAL - PAEROA - WESTERN SIDE OF ARNEY ST TO BE REPLACED FROM KEA CROSSING TO KING ST.

**Status: Design**

Three concept designs have been completed. The kerb replacement option is to be discussed with NZTA. Ward approval of one of the three options is required. This will be undertaken this financial year.

Next steps are the construction drawings, procurement documentation and engineering cost estimate.

The estimated cost of this work will only be known once an option is decided on.

The plan is for construction to take place during next financial year and is dependent upon NZTA funding.

### 1013\_001 - FOOTPATH RENEWAL – WAIHI

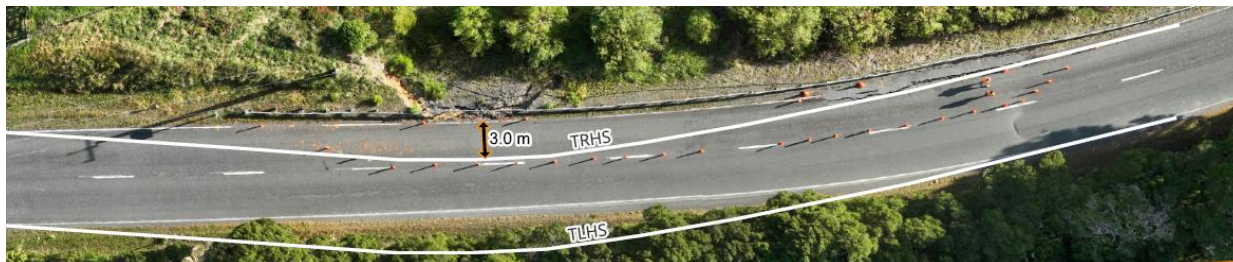
**Status: Ongoing**

Scoping required with a plan to have this work completed this financial year.

### 1014\_002 - KAIAUA RD UNDER SLIP REMEDIATION (CYCLONE GABRIELLE)

**Status: Design**

Currently with the contractor for the design.



### 1014\_003 - GOLDEN VALLEY RD WASHOUT REMEDIATION (29TH MAY 2023 EVENT)

**Status: Implementation**

We looking to go to public consultation to whether to open it or not. Both options are being drafted and estimated on the cost.



### 1016\_001 - PAVEMENT REHABILITATION

**Status: Design**

Pipiroa Rd, Kaihere Rd, Trig Rd North, Hauraki Rd Turua Urban Intersection and Hauraki Rd Orchard Rd Intersection Area Wide Treatments (AWTs) are in design this year for construction next year.

A \$25K overspend is projected against the pavement rehabilitation budget in order to get these projects tendered end of year for construction next year.



### 1016\_011 - PAVEMENT REHABILITATION - PUKEKAURI – WAITAWHETA

**Status: Construction**

Work to commence Monday 11<sup>th</sup> March.

### 1017\_001 - SEALED ROAD RESURFACING

**Status: Construction**

Contract re-commenced in November 2023, delayed approximately 1 month due to additional pre-seal repairs required.

The programme for 23/24 will achieve approximately 25km of chip sealing. Forecast includes professional fees for 22/23 performance report, 24/25 years design and 23/24 MSQA.

### 1018\_001 - STRUCTURES COMPONENT REPLACEMENT

**Status: Construction**

Contract works for 22/23 scope complete, 23/24 works to form Separable portion 2 (SP2) of the existing contract. SP2 works to be completed between March 2024 and June 2024. An underspend of \$93K to be carried forward for further work required in 24/25.

### 1020\_001 - UNSEALED ROADING RENEWALS

**Status: Ongoing Operational**

Unsealed road metalling is programmed to be undertaken March/April 2024.

### 1146\_001 - PAEROA URBAN STREETScape

**Status: Start-up**

Detailed design 90% completed based on agreed scope of works and approved concept design. The project had been placed on hold due to uncertainty around community engagement requirements. The scope is also likely to be extended with additional funds gained from better off funding the outcome of the place making project.

This project is comprised of the Wharf Street streetscape including a portion of Princes Street and Marshall Street, the Esplanade upgrade and surfacing of the HRT section from Railway Street to the Criterion Bridge and ramps onto Wharf Street and to the Wharf (funded from BOF).

## 1225\_001 - WAIHI URBAN STREETScape



**Status: Start-up**

Project has commenced. Elected members have discussed their preferences for the project. Council considered a report in October 2023 for further funding for this project as the scope has changed and the original budget was insufficient. Additional funds were approved for main street renewals, streetlights and flag track system. Timing was also amended to commence from 1 July 2024.

**Subsequent update:** Via LTP workshop, Council have decided to postpone the streetscape, and only proceed with the renewal of the streetlights in 24/25 FY.

### 3 PROJECTS ON HOLD OR DEFERRED

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- 1001\_011 - Urban traffic calming measures as per Speed Management Plan
- 1006\_005 - Coronation Street new K&C
- 1008\_001 - New Road Extensions
- 1008\_005 - Ngatitangata Rd Seal Extension RP 1221 – 1648
- 1011\_006 - Footpath Renewal - Arney St (Domain) Footpath and K&C
- 1228\_001 - Car Parks

### 4 PROJECTS COMPLETED THIS FINANCIAL YEAR

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- 1012\_002 - Front Miranda Rd Footpath Renewal RP11 - 157 M (LEFT)
- 1016\_013 - Pavement Rehabilitation - Waihi Beach Rd AWT



# PROJECT STATUS REPORT - 1017\_001 – SEALED ROADING RESURFACING

## 1. SUMMARY | 2. PROJECT PROGRESS INDICATORS | 3. ACHIEVEMENTS / WINS

**Programme Activity:** Land Transport  
**Activity:** Roading (Renewal)  
**Project location:** District  
**Capital Project:** Yes

**Project Description:**  
 We have a two year contract for the completion of our annual resurfacing programmes for 2022/23 and 2023/24. For the 2023/24 financial year (SP2) we are completing a programme of 25.8km of chip seal across the three wards.

KEY: Not on Track / Major Issues Not on Track, but plan in place Achieved / On Track

A Point to Note / Escalate

Measure:	Status:	Note against Baseline:
<b>Time:</b>		We have experienced some delays due to wet weather in 2023 which unfortunately resulted in four sites (4.5km) being incomplete at 31/12/23.
<b>Scope:</b>		Some changes have been made to the 2023/24 due to other works planned on the network
<b>Cost:</b>		The programme has been revised to meet the budget
<b>State Date:</b>	4/3/2024	
<b>Projected End Date:</b>	30/3/24	The due date for completion for SP2 has been extended, we now expect to complete the final site by 30 March 2024.

*Including Innovation, Savings and Carbon Commentary*

The remaining sites planned for February were delayed and unfortunately affected by wet weather again. The 2022/23 Performance report was completed, the work completed was noted to be of a high standard and all sites are expected to achieve their design life. A number of urban sites and rural intersections received a second sweep to remove remaining loose chip



## 4. TIMELINE



## 5. KEY ISSUES

*Including Health and Safety, number of site visits and audits undertaken*

- Pre-reseal repairs:** These repairs have now been completed.
- Health and Safety:** Construction monitoring and site inspections have been completed, a minor injury incident was reported on Golden Cross Road in Waihi this month.
- Customer service requests:** To date eight CSRs have been reported relating to reseals, all have been resolved.
- FWP and future budgets:** Looking forward to 2024/25 we have revised our preferred programme of approximately 48km to meet our proposed budget, already price increases recently received by other local authorities indicates we are likely to be well under our target length of re-surfacing. The cost of bitumen appears to be continuing to rise.

## 6. MAJOR RISKS & MITIGATIONS

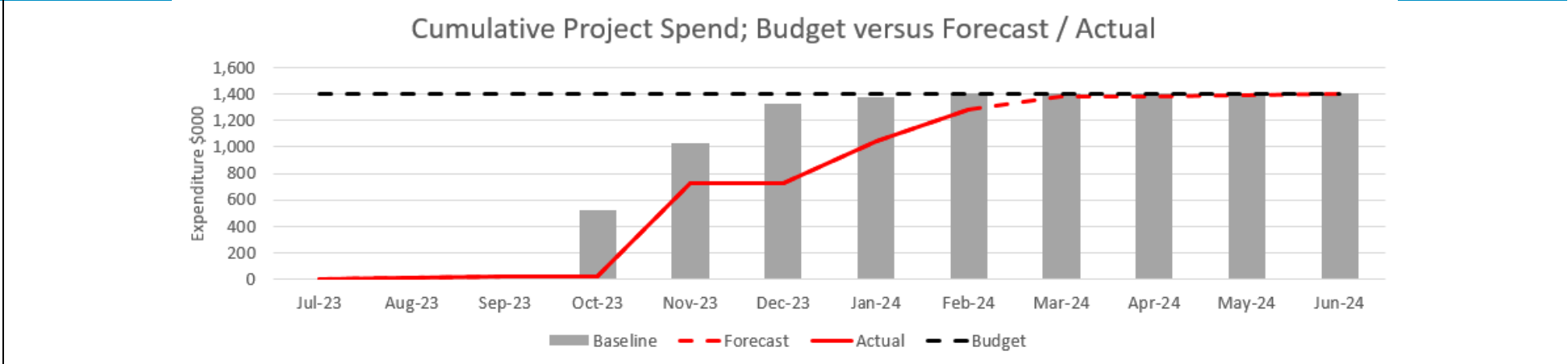
*Top three only. Based on risk management framework M: 2823491 (category: financial, H&S, human resources, legal, reputation, operational, project impacts, natural environment)*

- Moderate:** Rain and cooler weather conditions cause disruption during reseal work.
  - Construction for SP2 is programmed to start early in the accepted resealing season.
- Low:** Pre-reseal repairs not being completed in time.
  - Pre-reseal repairs for the 23/24 now completed.
- Moderate:** Cost escalations exceed the amount forecast and allowed for in our contingency.
  - Estimated escalations have been included in our contingencies. Monitor. If necessary, adjust programme again to meet budget.


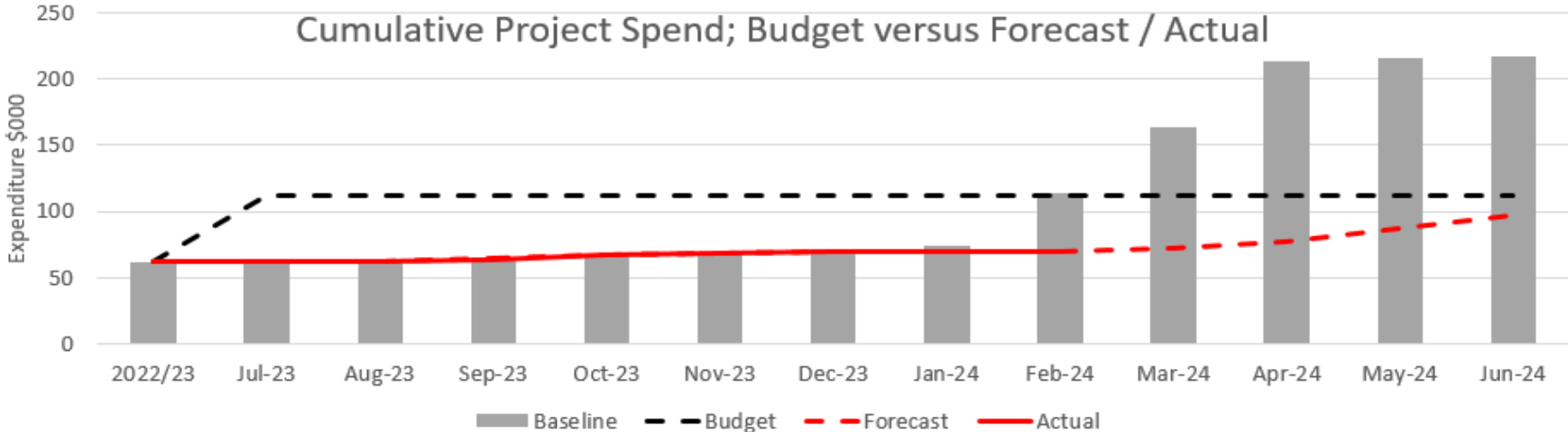
## 7. KEY ACTIONS / DECISIONS / NEXT STEPS

- Completion of the remaining two Waihi rural sites
- Revise 24/25 programme to meet indicative budgets
- Planning for re-tendering ready for 2024/25

## 8. FINANCIAL FORECAST



## PROJECT STATUS REPORT - 1146\_001 – WHARF STREET STREETScape

9. SUMMARY	10. PROJECT PROGRESS INDICATORS	11. ACHIEVEMENTS / WINS																				
<p><b>Programme Activity:</b> Land Transport  <b>Activity:</b> Roading (LOL)  <b>Project location:</b> Paeroa</p> <p><b>Project description:</b>                      The Wharf Street Streetscape in Paeroa is to create a feature streetscape that is a welcoming shared space for mixed mode transportation use, promoting pedestrian and cyclist use highlighting a clear path from the Hauraki Rail Trail (HRT) and Wharf through to the CBD, Mackay Street and the Domain.                      Shared spaces are developed that encourage commercial and community activities and allow Wharf Street to be easily closed and used for events.                      The project was placed on hold in 2022 to allow additional community and Iwi engagement and now also has the benefit of additional funding from the better off fund (BOF).                      As part of the BOF a Placemaking project is also underway and this project has become the mechanism to engage with the community and ensure the streetscapes objectives are aligned with the communities' aspirations for a community space.</p>	<p><b>KEY:</b> <span style="background-color: red; color: white; padding: 2px;">Not on Track / Major Issues</span> <span style="background-color: orange; padding: 2px;">Not on Track, but plan in place</span> <span style="background-color: green; color: white; padding: 2px;">Achieved / On Track</span></p> <p style="text-align: center;">➔ A Point to Note / Escalate</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #f2f2f2;">Measure:</th> <th style="background-color: #f2f2f2;">Status:</th> <th style="background-color: #f2f2f2;">Note against Baseline:</th> </tr> </thead> <tbody> <tr> <td><b>Time:</b></td> <td style="background-color: red;"></td> <td>The project has been placed on hold, finalising the design scope will ultimately determine the timeline.</td> </tr> <tr> <td><b>Scope:</b></td> <td style="background-color: orange;"></td> <td>The scope of the project will potentially change as a result of the Placemaking project and Iwi engagement. The scope has also increased with BOF.</td> </tr> <tr> <td><b>Cost:</b></td> <td style="background-color: green;"></td> <td>The project can be managed within budget and additional funding from BOF is now confirmed.</td> </tr> <tr> <td><b>State Date:</b></td> <td style="text-align: center;">4/3/24</td> <td></td> </tr> </tbody> </table>	Measure:	Status:	Note against Baseline:	<b>Time:</b>		The project has been placed on hold, finalising the design scope will ultimately determine the timeline.	<b>Scope:</b>		The scope of the project will potentially change as a result of the Placemaking project and Iwi engagement. The scope has also increased with BOF.	<b>Cost:</b>		The project can be managed within budget and additional funding from BOF is now confirmed.	<b>State Date:</b>	4/3/24		<p>The wastewater pipes identified for renewal have been completed through the pipe relining contract.</p> <p>Portions of work identified with Wharf Street have been included in the Better-Off funding application.</p> <p>Wharf Street was included in a Hui on 20 October 2023.</p> 					
Measure:	Status:	Note against Baseline:																				
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12. TIMELINE	13. KEY ISSUES	14. MAJOR RISKS & MITIGATIONS																				
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #f2f2f2;">Work Element</th> <th style="background-color: #f2f2f2;">Timeline/Completion</th> </tr> </thead> <tbody> <tr><td>Wharf Street Design</td><td>2024/25</td></tr> <tr><td>Wharf Street 3 Waters construction</td><td>June 2024</td></tr> <tr><td>Willoughby Street confirm scope</td><td>2024/25</td></tr> <tr><td>Domain Entranceway confirm scope</td><td>2024/25</td></tr> <tr><td>HRT Surfacing Scope</td><td>2024/25</td></tr> <tr><td>HRT Surfacing construction</td><td>2024/25</td></tr> <tr><td>Wharf Street Streetscape construction</td><td>2025/26</td></tr> <tr><td>Willoughby Street construction</td><td>2025/26</td></tr> <tr><td>Domain Entranceway construction</td><td>2025/26</td></tr> </tbody> </table>	Work Element	Timeline/Completion	Wharf Street Design	2024/25	Wharf Street 3 Waters construction	June 2024	Willoughby Street confirm scope	2024/25	Domain Entranceway confirm scope	2024/25	HRT Surfacing Scope	2024/25	HRT Surfacing construction	2024/25	Wharf Street Streetscape construction	2025/26	Willoughby Street construction	2025/26	Domain Entranceway construction	2025/26	<p><i>Including Health and Safety, number of site visits and audits undertaken</i></p> <ul style="list-style-type: none"> <li>The programme for construction remains very uncertain. The final design and therefore construction is dependent on iwi engagement and the Placemaking project, progress has been made in these areas but the design scope is still not fully determined.</li> <li>Stormwater and water renewals are also programmed for completion in Wharf Street. Plans to advance this work independently of the streetscape continue to ensure the renewals and the overall project programme are not affected.</li> <li>Design elements. An initial Placemaking Hui with Paeroa Iwi was held in June 2023 and this engagement continues through the Placemaking project. The design scope and approval process for the preferred design has yet to be determined.</li> <li>Better off Funding sub-projects; the Paeroa Streetscape Projects now includes other work streams that have yet to be scoped sufficiently to progress, these include the surfacing of the HRT, Willoughby Street and the Paeroa Domain Entrance upgrade.</li> </ul>	<div style="background-color: red; color: white; padding: 5px; border-radius: 5px;"> <p><b>High:</b> Programme uncertainty. Initial project completion required by June 2022 then deferred to February 2023 then placed on-hold due to the desire to engage more with our communities</p> </div> <div style="background-color: green; color: white; padding: 5px; border-radius: 5px; margin-top: 10px;"> <p><b>Medium:</b> Water Utilities renewals</p> </div> <div style="background-color: orange; color: white; padding: 5px; border-radius: 5px; margin-top: 10px;"> <p><b>Medium:</b> Reputation affected by negative community feedback.</p> </div> <div style="background-color: yellow; color: black; padding: 5px; border-radius: 5px; margin-top: 10px;"> <p><b>Medium:</b> Design exceeds budget.</p> </div> <ul style="list-style-type: none"> <li>Construction programme remains at risk due to more extensive community engagement being identified and agreed including Placemaking. Progress has been made in these areas but the programme remains uncertain.</li> <li>Although the 3waters will be repealed, stormwater and water renewals can be advanced independently of the streetscape to ensure the renewals are completed to suit the streetscape.</li> <li>Community engagement for the "placemaking" aspects of the streetscape are required to ensure a collaborative approach to the final project outcomes. The Placemaking project is now initiated.</li> <li>BOF has mitigated this risk however if the project is continued to be delayed costs will likely continue to escalate.</li> </ul>
Work Element	Timeline/Completion																					
Wharf Street Design	2024/25																					
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15. KEY ACTIONS / DECISIONS / NEXT STEPS	16. FINANCIAL FORECAST																					
<ul style="list-style-type: none"> <li><b>Wharf Street:</b>                      ➔ 3Waters renewals – Continue to advance construction. Streetscape design – continue to define design scope through Iwi engagement and with consideration of Placemaking.</li> <li><b>Wharf Street Extension (The Esplanade):</b>                      The Bylaw change to designate this as a one-way street on hold pending final design scope.</li> <li><b>Surfacing of HRT:</b> Costs to be confirmed, deferred to 2024/25 with the capex review</li> <li><b>Willoughby Street:</b> continue as a focus of Placemaking and Iwi engagement</li> <li><b>Paeroa Domain Entrance:</b> confirm this is still included in scope, continue as a focus of Placemaking and Iwi engagement.</li> </ul>	<p><b>Cumulative Project Spend; Budget versus Forecast / Actual</b></p> 																					

## APPENDIX C - 2023/24 CAPEX REPORTING

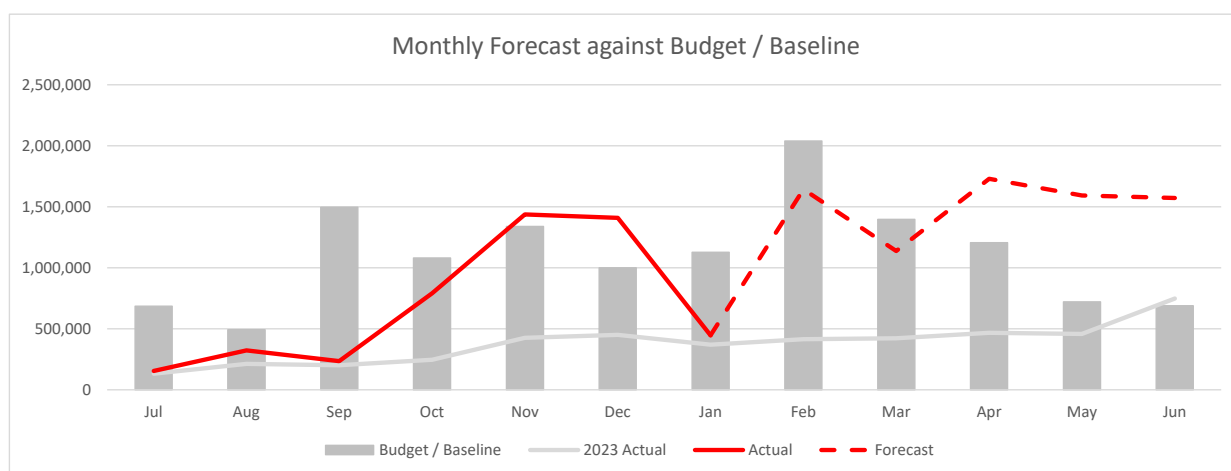
### SUMMARY OF PROJECTS – COMMUNITY SERVICES JANUARY 2024 MONTH END

#### 1 2023/24 CAPITAL FORECAST OVERVIEW

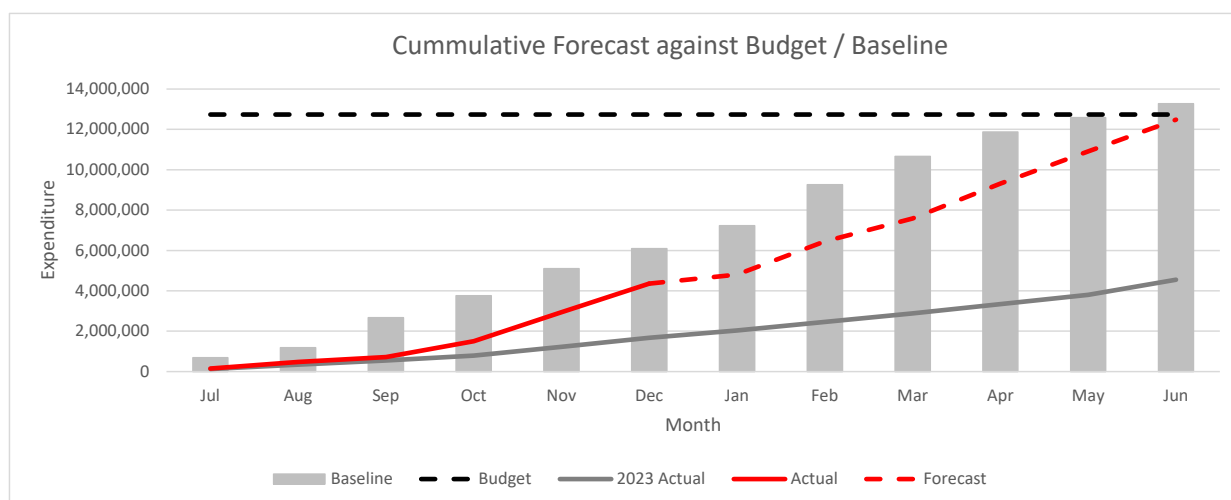
##### Overview

The 2023/24 full year forecast as at January month end for Community Services is \$12.5M. The budget is \$12.7M. The baseline below is from September prior to the deferrals as per Council resolution at the November meeting.

**Chart 1: Monthly Budget / Baseline / Forecast / Actual Expenditure**



**Chart 2: Cumulative Monthly Budget / Baseline / Forecast / Actual Expenditure**



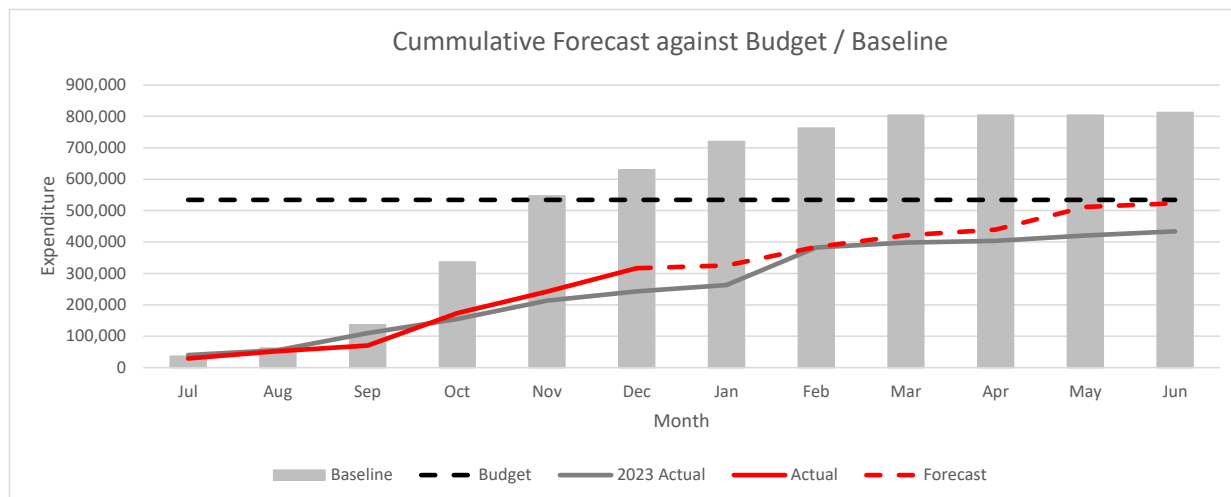


## 2 SUMMARY OF PROJECTS FOR COMMUNITY FACILITIES

### Overview

The budget for Community Facilities is \$534K, with a January forecast of \$523K. The baseline below is from September prior to the deferrals as per Council resolution at the November meeting.

**Chart 3: Community Facilities Cumulative Monthly Budget / Baseline / Forecast / Actual Expenditure**



### 1140\_001 - Pensioner housing renewals – Paeroa

*Status: Construction*

- Replacement of vinyl, carpets, bathrooms, and kitchens throughout the district.
- Garden sheds installed throughout the district.
- New letterboxes installed in Waihi.

### 1214\_001 – Waihi Casket Berm

*Status: Start-up*

### 1215\_001 – Paeroa Casket Berm

*Status: Start-up*

### 1219\_001 - Pātetonga Toilet

*Status: Design*

- The toilet construction is complete and is currently in storage.
- We are looking at an alternative site which means reworking the design and consents.
- An invoice has been issued to Ministry of Business Innovation & Employment for \$98K, which is for the payments 1 and 2 as per the funding payment schedule.



**1315\_001 - Ngātea Hall replace Zip (merged)**

*Status: Merged*

The zip has been replaced as an emergency work after it broke. The budget will be repurposed for other repairs required at the Ngātea Hall.

**1316\_001 - Ngātea Memorial Hall water units**

*Status: Close-out*

These do not need replacing, so the work will not be undertaken.

**1319\_001 - Paeroa ashes garden**

*Status: Start-up*

This budget could be repurposed to the Pukerimu development if required.

**1329\_001 - Waihi ashes garden**

*Status: Start-up*

To be undertaken during summer.

**1349\_001 - Waihi Cemetery Toilets and Maintenance Shed Replacement**

*Status: Implementation*

HDC and a contractor have signed a contract for the construction of a new shed with toilet. The contractor estimates the demolition of the shed will be at the end of February, with the construction due to mid-March 2024.

**1138\_001 - Pūkoro to Kaiaua HRT extension**

*Status: Close-out*



*Road marking in Kaiaua for the HRT*

- The driveway to the Terminus carpark was repaired and chip sealed in November.
- A concrete section was constructed in November at the southern end of Kaiaua where the trail was soft.
- County bridge road marking was completed in December.
- A ride over with HRTCT and Master Trail Builder was completed in December to inspect the completed section and identify any outstanding works required before the handover to the Trust.
- The list includes signage, weed spraying, and a concrete section along the gabions in Kaiaua. These works are planned for early 2024.



*Driveway to the Terminus*



*Concrete Section*

## 2.1 PROJECTS ON HOLD/DEFERRED

- 1139\_001 - Pukerimu Cemetery Major Development
- 1224\_001 - Paeroa - cemetery - carpark renewal
- 1171\_003 - Hauraki House Toilet and Shower

## 2.2 PROJECTS COMPLETED THIS FINANCIAL YEAR

- 1220\_001 - Paeroa - RSA cemetery - carpark renewal

### 3 SUMMARY OF PROJECTS FOR PROPERTY

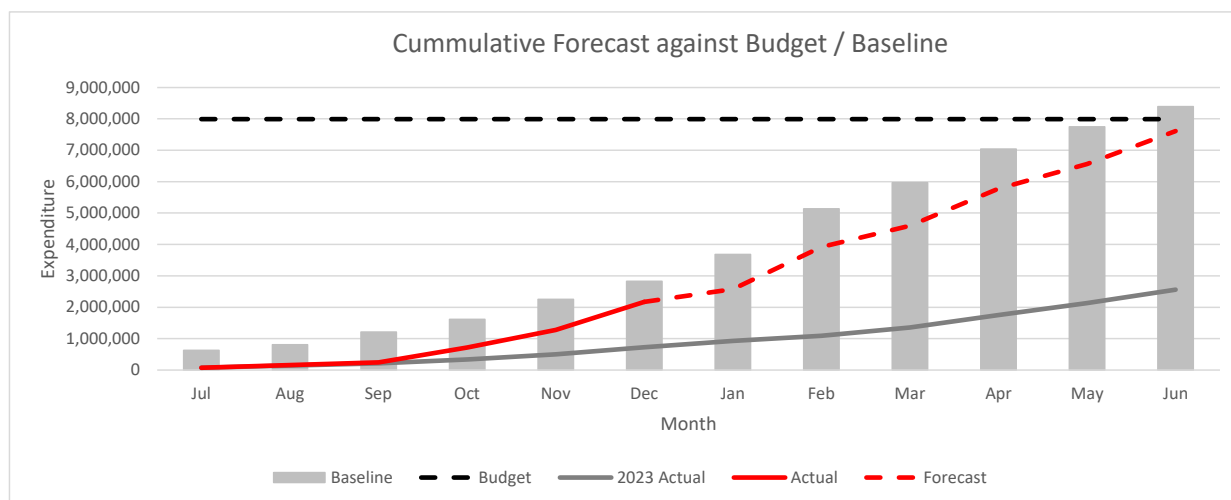
#### Overview

The budget for Property is \$8M, with a January forecast of \$7.6M. The baseline below is from September prior to the deferrals as per Council resolution at the November meeting.

A small (\$17K) overspend is currently forecast for Ngatea North which we are monitoring. If this becomes likely it will be reported to Council.

The Plains Community Centre is forecasting a \$211K underspend due to phasing. There is an underspend of \$104K for the Hauraki House Internal Lift upgrade as we are struggling to find a contractor to undertake the work.

**Chart 4: Property Cumulative Monthly Budget / Baseline / Forecast / Actual Expenditure**



#### 1171\_001 Miscellaneous Property Renewal

Status: *In progress*

Work currently underway includes:

- Hauraki House renovations
- Hauraki House Garage / Shed repair and renovation
- EV chargers

#### 1145\_001 – Plains Community Centre

Status: *Design*

- Design only this financial year.
- The Council Working Party has been appointed and budget was approved in May 2023.
- Architect has been engaged to progress project.



#### 1166\_001 - Ngātea North Stage 4

Status: *Construction*

Civil works commenced in early September 2023 and are likely to be completed by May 2024. Drainage and roading works are currently in progress.





*Above: Drone picture of subdivision  
Below: Pictures of works in Ngātea North*



### **1256\_001 - Depot upgrade and rationalisation**

*Status: Planning*

Ngātea Depot:

- Fencing was completed prior to Christmas.
- We are now working through the process of automating the gate into the depot and have found a good solution for this.
- There are a few more tasks to finalise, such as organising building removal with contractor, chemical storage, install fence energizer to activate hot wires on top of fence before the work at this site has been completed.

Paeroa Depot:

- The roof replacement is now being planned for. One quote has been received, further quotes to be sought.
- A site visit with overseers and the works team leader has occurred on site to determine depot requirements.
- A meeting with a local architect is scheduled to discuss a concept plan.



*Fencing at the Ngatea Depot*

### **1285\_001 - Ngātea Southern Estate Subdivision**

*Status: Start-up*

- Subdivision concept plan has been made.
- Geotech investigation of the site was completed in December 2022.
- In order to avoid move of heavy vehicles through residential areas (Darlington St), works on the alignment access route from Kaihere Rd was completed.
- The site preloading commenced on April 2023 and was completed in July 2023.
- Consultant has been engaged to get the Stormwater and subdivision consents.

### **1254\_001 - Waihi Office/ Library Generator**

*Status: Close out*

- The generator is installed and fencing is complete.
- The missing water heater has been installed. A duct is being installed in Feb 2024 to help with weather tightness issues.

### **1353\_001 - Hauraki House - Internal Lift upgrade**

*Status: Procurement*

The risk identified here is we are struggling to find a contractor to do this work. It is looking unlikely to occur this financial year.

## **3.1 PROJECTS ON HOLD/DEFERRED**

### **1231\_001 - Waihi Museum Earthquake Strengthening**

Council resolution from August meeting approved option 2 do minimum - \$170k in 23/24 and \$225k in 24/25.

Note: This will meet our committed costs for the project in 2023/24 and undertake risk mitigation works, replace the roof, refurbish the windows in the 2024/25 LTP.

Seismic strengthening is likely deferred for up to 25 years depending on community feedback to options presented in the LTP.

### **1177\_001 - Waihi - Replace Windows Waihi Art Centre**

*Status: Merged*

Due to 1231\_001 budget shortfall, all Museum related budgets merged together.

### **1230\_001 - Waihi Museum Replace Roof**

*Status: Merged*

Due to 1231\_001 budget shortfall, all Museum related budgets merged together.

And partial budgets deferred for:

- 1145\_001 – Plains Community Centre
- 1256\_001 - Depot upgrade and rationalisation
- 1285\_001 - Ngatea Southern Estate Subdivision

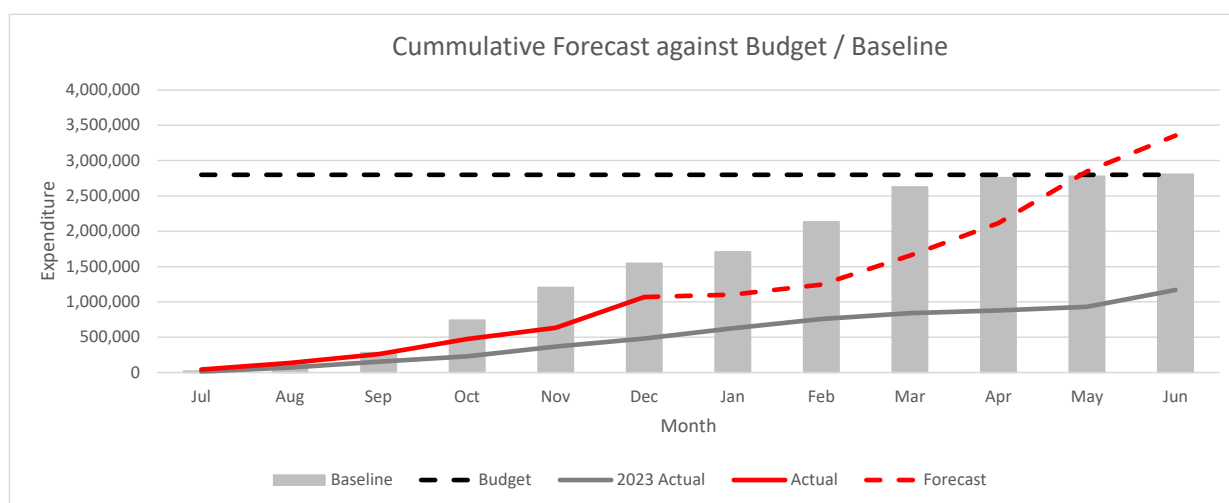
## 4 SUMMARY OF PROJECTS FOR RECREATION

### Overview

The budget for Recreation is \$2.8M, with a January forecast of \$3.4M. The baseline below is from September prior to the deferrals as per Council resolution at the November meeting.

The Hauraki Rail Trail Reconstruction between Waitakaruru and Kopu is forecasting a \$674K overspend. This value is currently budgeted in the 2024/25 annual plan. The timeframe for this project is dictated by WRC's stopbank project. We will check Waikato Regional Councils (WRCs) progress at the end of February and decide if a Council report is required to pull funding forward. MBIE are contributing towards this project.

### Chart 5: Recreation Cumulative Monthly Budget / Baseline / Forecast / Actual Expenditure



### 1153\_001 - Karangahake Reserve development

Status: Construction

- Carpark: Construction commenced in late 2022. The surfacing is underway now.
- Once this is completed the next stage will be make a walking trail down to the HRT.
- Toilets: The toilets were finished in November 2022 and have been operational since then.
- Trail Link: The trail link is waiting on Treaty settlement and has been car parked to be carried forward to allow for Iwi engagement when it is appropriate.
- Toilets: The toilets were finished in November 2022 and have been operational since then.
- Trail Link: The trail link is waiting on Treaty settlement and has been car parked to be carried forward to allow for Iwi engagement when it is appropriate.

### 1155\_001 - Paeroa - Renewals Recreation

Status: Ongoing – operational

On track.

### 1157\_001 - Plains - Renewals Recreation

Status: Ongoing – operational

On track.

### 1159\_001 - District Pools - Miscellaneous Renewals

Status: Operational Ongoing

Renewals to be assessed at the end of the pool season.





*Statue pre-vandalism*

**1160\_001 - Waihi - Renewals Recreation**

*Status: Construction*

Rangitira Statue: replacements of damaged parts are currently being manufactured. Installation is due by the end of summer as weather certainty is required.



*Statue post vandalism*

**1232\_001 - Whiritoa Beach Reserve - concrete next to new water tank at surf club - joint funding (3,000)**

*Status: Design*

On hold due to building replacement.

**1238\_001 - Hauraki Rail Trail - Waihi Extension**

*Status: Construction*

Project on hold awaiting DOC easement approval. We will then be able to proceed with the connection from the current end at the Railway Station through to Wellington St end of the new cycleway.

**1243\_001 - Hauraki Rail Trail – Resurfacing**

*Status: Construction*

MBIE have an application to double this budget. The plan is to resurface from Paeroa towards Waihi, and towards Te Aroha if funds allow following the foreshore reconstruction and Waikino remedial works.

**1305\_001 - Hauraki Rail Trail - Reconstruction Waitakaruru to Kopu**

Status: Construction



The temporary Goats trail is open from Thursday to Sunday along the western foreshore between Waitakaruru and Buchanan Road.

Work is being done to get the section from Abbots Road to Shelly Beach Road tidied up.

We are aiming to re-open this section to link cyclists to Shelly Beach Road in February 2024.

Discussions are occurring with WRC who have a worksite near Shelly Beach road to ensure cyclist safety in this area.

The East Foreshore stopbanks work by WRC is delayed again due to weather and completion expected Feb 2024. HRT Reinstatement quotes are being obtained to reinstate the East foreshore and begin work hopefully in March 2024 pending WRC completion.

**1307\_001 - Kaiaua playground - replacement swing set**

Status: Procurement

Swing sets are ordered; underway.

**1308\_001 - Kerepēhi playground - replacement modular playground**

Status: Start-up

Quotes for play module being evaluated; underway.

**1347\_001 – Waihi Adult Sports Equipment**

Status: Design

This project is being grouped into the Outdoor Recreation Hub at Waihi which is a joint project between the Waihi Community Forum and HDC.

**1351\_001 - Waihi Skate Park***Status: Design*

- Waihi Community Forum Charitable Trust (WCFCT) and HDC joint project.
- Draft concept designs have been completed for the space and this is being worked through with the WCFCT. They are also being utilised in funding applications, many of which have closure dates in Jan/Feb 2024.
- Work is being done to finalise the procurement plan and process for engagement as the WCFCT would like to progress with the pump track as soon as funding permits.

**1355\_001 - Turua playground - replacement modular playground***Status: Design*

Will be completed by end of the year.

**1357\_001 - Training Lights for Hugh Hayward Domain - Joint funding (100,000)***Status: Procurement*

In the process of obtaining quotes from contractors. Currently have one design and quote, and expect two more in February.

**1394\_001 - Conversion of Paeroa and Ngātea Pools to Salt Chlorination***Status: Procurement*

The chlorinator for the Paeroa pool will arrive in April for installation. The Ngātea pool chlorinator will be ordered separately as budget in LTP for FY24/25.

**1309\_001 - Lane ropes at the 3 pools**

Funding used for the Paeroa Pool project.

**1299\_001 - New ramp access for Ngātea pool**

The building code of compliance certificate and rectifying the skimmer are to be completed.



*Completed Access Ramp at Ngātea Pool*

#### 4.1 PROJECTS ON HOLD/DEFERRED

- 1317\_001 - Paeroa - Railway Reserve Skate Park
- 1354\_001 - Paeroa Domain playground - replacement modular playground
- 1356\_001 - Whiritoa Playground - replacement modular playground
- 1303\_001 - District wide - rubber matting for playground resurface
- 1308\_001 - Kerepehi playground - replacement modular playground
- 1347\_001 - Waihi Adult Sports Equipment
- 1351\_001 - Waihi Skate park
- 1286\_001 - Gilmour Lake Fountain
- 1243\_001 - Hauraki Rail Trail – Resurfacing
- 1305\_001 - Hauraki Rail Trail - Re construction Waitakaruru to Kopu
- 1352\_001 - Miranda Ashes Berm

#### 4.2 PROJECTS COMPLETED THIS FINANCIAL YEAR

- 1235\_001 - Victoria park fencing
- 1337\_001 - Whiritoa Beach Reserve - additional playground swings
- 1301\_001 - District pools – covers
- 1171\_001 - Waihi and Paeroa Library storage solutions have been implemented.

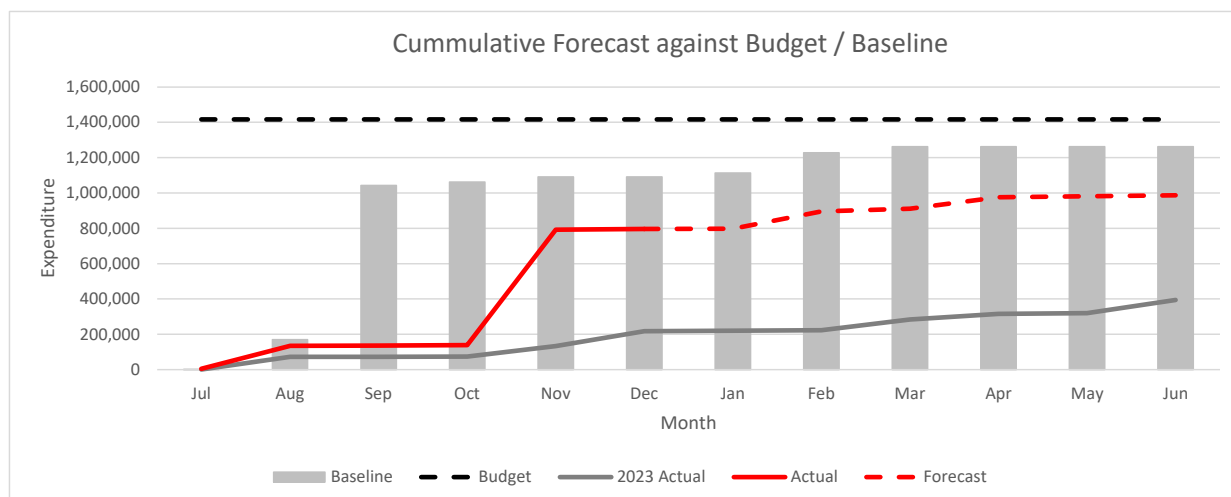


## 5 SUMMARY OF PROJECTS FOR WASTE MANAGEMENT

### Overview

The budget for Waste Management is \$1.4M, with a January forecast of \$990K. The baseline below is from September prior to the deferrals as per Council resolution at the November meeting.

**Chart 5: Waste Management Cumulative Monthly Budget / Baseline / Forecast / Actual Expenditure**



### 1121\_001 - Solid Waste: Paeroa Transfer Station Upgrade

*Status: Implementation*

Ongoing reinstatement of infrastructure.

### 1122\_001 - Waihi Transfer station – Weighbridge

*Status: Design*

Options and opportunities for a weighbridge in Waihi are being investigated however unlikely to be purchased and installed this financial year.

### 1368\_001 - Change of Layout Paeroa site

*Status: Start-up*


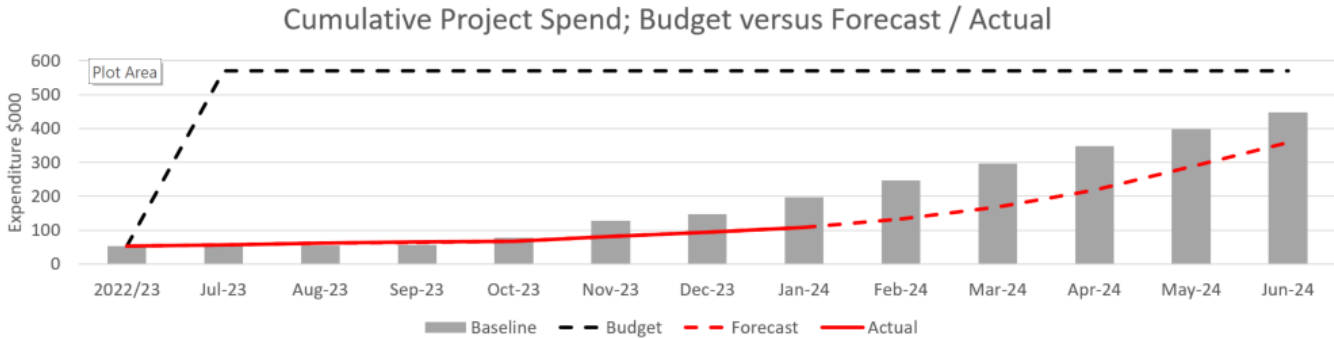
Hazardous waste compliance work currently underway.

### 1369\_001 - Food and Refuse Bins

*Status: Complete*

Completed and money has been recovered from MFE for organics bins funding. Occurred post appointment of the contractor.

## 6 PROJECT STATUS REPORT - 1145\_001 – PLAINS COMMUNITY CENTRE

1. SUMMARY	2. PROJECT PROGRESS INDICATORS	3. ACHIEVEMENTS / WINS																																																																					
<p><b>Programme Activity:</b> Libraries  <b>Activity:</b> Community Facilities  <b>Project location:</b> Ngātea  <b>Capital Project:</b> Yes</p> <p><b>Project Description:</b> An upgraded Plains Community Centre has been identified in the Hauraki District Councils Long Term Plan. As part of the planning for this project, Council have previously decided that the existing building will be demolished a new purpose built facility will be provided in the same location within the Hugh Hayward Domain.</p> <p>The following workstreams are included in this project:</p> <ul style="list-style-type: none"> <li>Communication and engagement plan</li> <li>Geotechnical testing and design</li> <li>Demolition of existing building</li> <li>Landscaping and carpark</li> <li>Temporary accommodation &amp; services</li> <li>Fixtures, fittings and furnishings, IT &amp; security</li> <li>Design and consenting</li> <li>Site preparation</li> <li>Reinstate CSA and library services</li> <li>New building construction phase</li> </ul>	<p>KEY: <span style="background-color: red; color: white; padding: 2px;">Not on Track / Major Issues</span> <span style="background-color: orange; padding: 2px;">Not on Track, but plan in place</span> <span style="background-color: green; color: white; padding: 2px;">Achieved / On Track</span></p> <p style="text-align: center;">➔ A Point to Note / Escalate</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;">Measure:</th> <th style="width: 20%;">Status:</th> <th style="width: 60%;">Note against Baseline:</th> </tr> </thead> <tbody> <tr> <td><b>Time:</b></td> <td style="background-color: green;"></td> <td>This is currently programmed to be a 2 year programme. In 2023/24 we will be focusing on design and consenting. Construction is programmed to commence in the 24/25 FY but will be dependent on procurement of contractors and materials to achieve this.</td> </tr> <tr> <td><b>Scope:</b></td> <td style="background-color: green;"></td> <td>The scope for this project is outlined in a business case which was presented to Council in May 2023. (M3414177)</td> </tr> <tr> <td><b>Cost:</b></td> <td style="background-color: green;"></td> <td>A forecast of \$300k is indicated for 23/24 for the design consenting, procurement (revised 31/1/24). Its expected demolition and temporary services accommodation will commence in the 24/25 FY.</td> </tr> <tr> <td><b>State Date:</b></td> <td>31/1/24</td> <td></td> </tr> <tr> <td><b>Projected End Date:</b></td> <td>2024/25 – 2025/26</td> <td></td> </tr> </tbody> </table>	Measure:	Status:	Note against Baseline:	<b>Time:</b>		This is currently programmed to be a 2 year programme. In 2023/24 we will be focusing on design and consenting. Construction is programmed to commence in the 24/25 FY but will be dependent on procurement of contractors and materials to achieve this.	<b>Scope:</b>		The scope for this project is outlined in a business case which was presented to Council in May 2023. (M3414177)	<b>Cost:</b>		A forecast of \$300k is indicated for 23/24 for the design consenting, procurement (revised 31/1/24). Its expected demolition and temporary services accommodation will commence in the 24/25 FY.	<b>State Date:</b>	31/1/24		<b>Projected End Date:</b>	2024/25 – 2025/26		<p><i>Including Innovation, Savings and Carbon Commentary</i></p> <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p><b>Achievement</b></p> <ul style="list-style-type: none"> <li>Site Investigations</li> <li>Demolition scoped/Asbestos survey</li> <li>Resource consent for temp service building commenced</li> </ul> </div> <div style="width: 35%;"> <p><b>Completed</b></p> <ul style="list-style-type: none"> <li>December 2023/Jan 2024</li> <li>January 2024</li> <li>January 2024</li> </ul> </div> </div> 																																																			
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<ul style="list-style-type: none"> <li>• Concept Design Costings report</li> <li>• Concept design review/WP Meeting – February 2024</li> <li>• Investigate early contractor engagement – February 2024</li> <li>• Advance resource consent application for temporary services building – February 2024</li> <li>• Commence communication plan and implementing webpage – March 2024</li> <li>• RFP for demolition ready for pricing – April 2024</li> </ul>	<p style="text-align: center;"><b>Cumulative Project Spend; Budget versus Forecast / Actual</b></p>  <table border="1" style="width: 100%; border-collapse: collapse; font-size: small;"> <caption>Estimated Data from Financial Forecast Chart</caption> <thead> <tr> <th>Month</th> <th>Baseline (\$000)</th> <th>Budget (\$000)</th> <th>Forecast (\$000)</th> <th>Actual (\$000)</th> </tr> </thead> <tbody> <tr><td>2022/23</td><td>50</td><td>600</td><td>50</td><td>50</td></tr> <tr><td>Jul-23</td><td>50</td><td>600</td><td>50</td><td>50</td></tr> <tr><td>Aug-23</td><td>50</td><td>600</td><td>50</td><td>50</td></tr> <tr><td>Sep-23</td><td>50</td><td>600</td><td>50</td><td>50</td></tr> <tr><td>Oct-23</td><td>50</td><td>600</td><td>50</td><td>50</td></tr> <tr><td>Nov-23</td><td>50</td><td>600</td><td>50</td><td>50</td></tr> <tr><td>Dec-23</td><td>50</td><td>600</td><td>50</td><td>50</td></tr> <tr><td>Jan-24</td><td>50</td><td>600</td><td>50</td><td>50</td></tr> <tr><td>Feb-24</td><td>50</td><td>600</td><td>50</td><td>50</td></tr> <tr><td>Mar-24</td><td>50</td><td>600</td><td>50</td><td>50</td></tr> <tr><td>Apr-24</td><td>50</td><td>600</td><td>50</td><td>50</td></tr> <tr><td>May-24</td><td>50</td><td>600</td><td>50</td><td>50</td></tr> <tr><td>Jun-24</td><td>50</td><td>600</td><td>50</td><td>50</td></tr> </tbody> </table>	Month	Baseline (\$000)	Budget (\$000)	Forecast (\$000)	Actual (\$000)	2022/23	50	600	50	50	Jul-23	50	600	50	50	Aug-23	50	600	50	50	Sep-23	50	600	50	50	Oct-23	50	600	50	50	Nov-23	50	600	50	50	Dec-23	50	600	50	50	Jan-24	50	600	50	50	Feb-24	50	600	50	50	Mar-24	50	600	50	50	Apr-24	50	600	50	50	May-24	50	600	50	50	Jun-24	50	600	50	50
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## 7 PROJECT STATUS REPORT - 1166\_001 NGĀTEA NORTH STAGE 4

### 9. SUMMARY 10. PROJECT PROGRESS INDICATORS 11. ACHIEVEMENTS / WINS

**Programme Activity:** Residential Subdivision  
**Activity:** Property  
**Project location:** Ngātea  
**Project Description:** Stage 4 is the final stage of land development in the Ngātea North Subdivision. 5.3 ha of land is being developed into 52 lots for construction of residential homes. Water services, roading detailed design including street lighting, power and telecommunications design have been completed. All necessary consent applications have been granted. Landscape and playground design has been completed. The subdivision lots should be ready for sale in June/July 2024.

KEY: Not on Track / Major Issues Not on Track, but plan in place Achieved / On Track

➔ A Point to Note / Escalate

Measure:	Status:	Note against Baseline:
Time:		
Scope:		
Cost:		
State Date:		
Projected End Date:		

Civil works are underway. The preload material has been moved to Ngātea Southern Estate and area 9 has been preloaded.

Council approved the additional funding required for the project during the Council Meeting on 2/8/2023.

Civil works commenced on 4/9/2023.

Roading and drainage works are in progress.



### 12. TIMELINE 13. KEY ISSUES 14. MAJOR RISKS & MITIGATIONS

- Civil works will be completed by May 2024.
- Monitor Civil works
- Land Use Consent Application: Continue preparation of Land Use Consent Application for commercial use of lot(s).



- Including Health and Safety, number of site visits and audits undertaken*
- Coordinate and monitor civil works.
  - Settlement in areas 8 and 9 is taking longer than expected and this may cause delays. This may result in additional work/cost to avoid the delays; this will be known in another month.

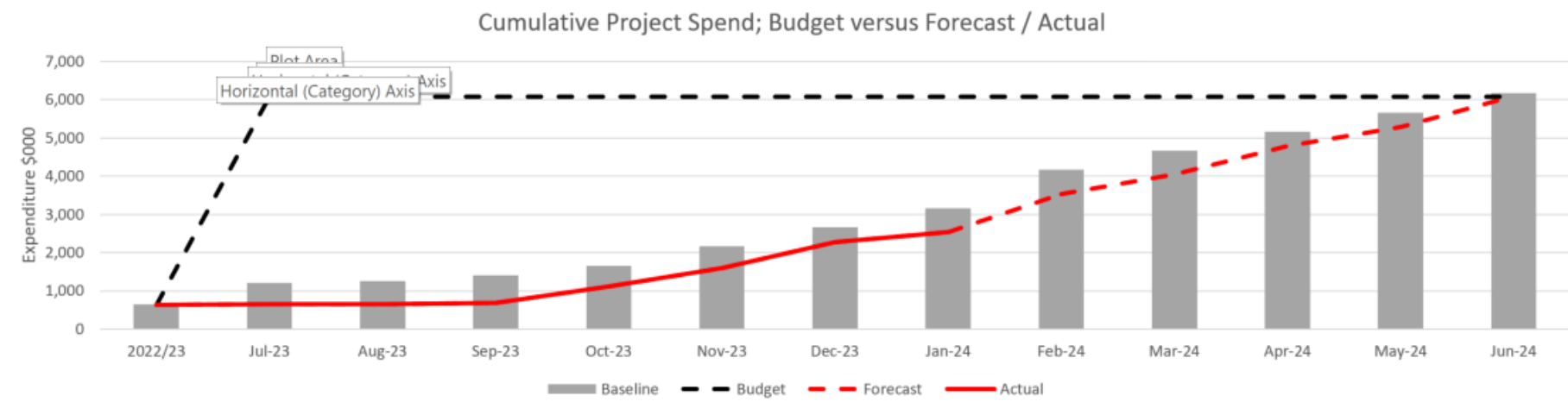
*Top three only. Based on risk management framework M: 2823491 (category: financial, H&S, human resources, legal, reputation, operational, project impacts, natural environment)*

**Major & Likely:** Civil works might get delayed.

**Moderate:** R029 - Increasing rate of inflation and long-term impacts of COVID adversely impacting the economy resulting in a property downturn. Property market has started to soften through most of NZ. Ngātea house prices continued to climb with the last quarter showing a 3.2% increase in median house price.




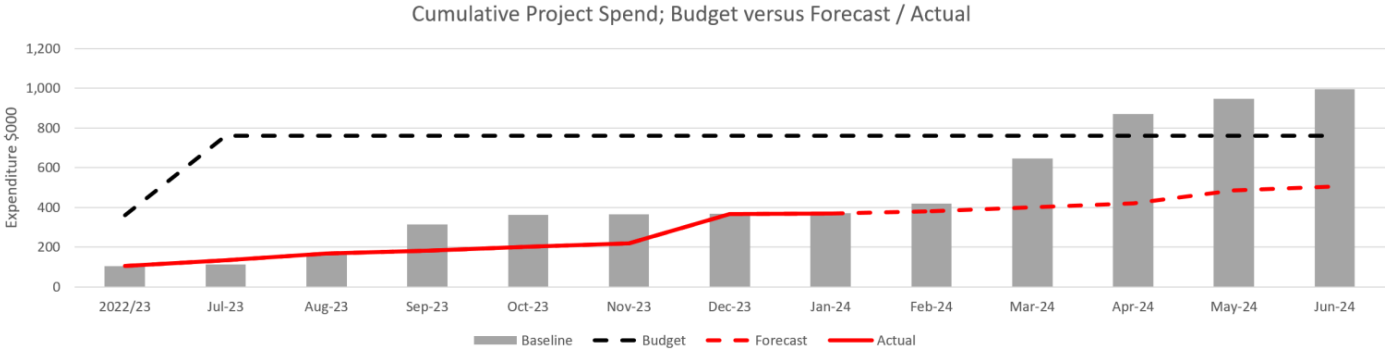
- Continue to monitor the schedule of work proposed by Dempsey Woods Civil Ltd
- Monitor impact of property market changes on business case. Currently sales prices would need to drop more than 40% of recent market appraisals for the project to no longer be viable.
- Due Date 30 May 2023

### 15. PHOTOS 16. FINANCIAL FORECAST





## 8 PROJECT STATUS REPORT - 1256\_001 DEPOT UPGRADE AND RATIONALISATION

1. SUMMARY	2. PROJECT PROGRESS INDICATORS	3. ACHIEVEMENTS / WINS																		
<p><b>Programme Activity:</b> Property</p> <p><b>Activity:</b> Renewals</p> <p><b>Project location:</b> Ngātea</p> <p><b>Capital Project:</b> Yes</p> <p><b>Project Description:</b>                      The purpose of this project is to re-clad and remodel the existing Paeroa Depot building into a fit-for-purpose space that meets the needs of the works team. This includes the renewal of the toilet, shower and laundry facilities; the constructing of new offices, meeting/training room and staff tea-room; and the recladding of the entire building among other works.                      Through this work Ngātea and Waihi Depots will become satellite sites with Paeroa Depot being the main hub.                      Ngātea Depot needs to be reconfigured to allow for the opening of a recycling and green waste drop off centre (dealt with in a separate project) and to allow for restricted access to our depot site.</p>	<p>KEY: <span style="background-color: red; color: white; padding: 2px;">Not on Track / Major Issues</span> <span style="background-color: orange; padding: 2px;">Not on Track, but plan in place</span> <span style="background-color: green; color: white; padding: 2px;">Achieved / On Track</span></p> <p style="text-align: center;">➔ A Point to Note / Escalate</p> <table border="1"> <thead> <tr> <th>Measure:</th> <th>Status:</th> <th>Note against Baseline:</th> </tr> </thead> <tbody> <tr> <td><b>Time:</b></td> <td style="background-color: orange;"></td> <td>This project has been brought forward over several financial years. We are working to define a more accurate project plan and timeframe.</td> </tr> <tr> <td><b>Scope:</b></td> <td style="background-color: orange;"></td> <td>We are in the process of planning works for Paeroa to better define scope of works; working to close off tasks outstanding for Ngātea Depot.</td> </tr> <tr> <td><b>Cost:</b></td> <td style="background-color: green;"></td> <td>We are working to budget</td> </tr> <tr> <td><b>State Date:</b></td> <td>July 2021</td> <td></td> </tr> <tr> <td><b>Projected End Date:</b></td> <td>June 2025</td> <td></td> </tr> </tbody> </table>	Measure:	Status:	Note against Baseline:	<b>Time:</b>		This project has been brought forward over several financial years. We are working to define a more accurate project plan and timeframe.	<b>Scope:</b>		We are in the process of planning works for Paeroa to better define scope of works; working to close off tasks outstanding for Ngātea Depot.	<b>Cost:</b>		We are working to budget	<b>State Date:</b>	July 2021		<b>Projected End Date:</b>	June 2025		<p><i>Including Innovation, Savings and Carbon Commentary</i></p> <p><b>Innovation, Savings and Carbon Commentary</b></p> <ul style="list-style-type: none"> <li>Ngātea:                             <ul style="list-style-type: none"> <li>Fencing was completed prior to Christmas.</li> </ul> </li> <li>Paeroa:                             <ul style="list-style-type: none"> <li>The PMO has had a walk-through of the site with staff in order to assess what needs to be done with the space.</li> <li>A meeting has been scheduled with a local architect for 13 Feb 2024.</li> </ul> </li> </ul> <div style="display: flex; justify-content: space-around;">   </div>
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<p>February:</p> <ul style="list-style-type: none"> <li>PMO meeting with Architect for Works regarding Paeroa Depot</li> <li>PMO sourcing contractors to quote for the re-roofing of Paeroa Depot</li> <li>Project Plan and Steering Group to be formed</li> <li>Outstanding Tasks at Ngātea Depot to be scheduled</li> </ul> <p>March:</p> <ul style="list-style-type: none"> <li>Steering Group to meet fortnightly.</li> <li>Outstanding Tasks at Ngātea Depot to be completed by month end</li> </ul> <p>June:</p> <ul style="list-style-type: none"> <li>Roof of Paeroa Depot to be renewed before month end</li> </ul>	<p><i>Including Health and Safety, number of site visits and audits undertaken</i></p> <ul style="list-style-type: none"> <li><b>Health and Safety:</b></li> <li>Lack of hot water and laundry/shower facilities at Ngātea Depot is a concern. These concerns are to be addressed as a part of the Toilet block remodel.</li> <li>Paeroa Depot requires better toilet and shower/laundry facilities.</li> <li>No active work sites at present so no Audits have been completed.</li> </ul> <div style="text-align: center;">  </div>	<p><i>Top three only. Based on risk management framework M: 2823491 (category: financial, H&amp;S, human resources, legal, reputation, operational, project impacts, natural environment)</i></p> <div style="display: flex; flex-direction: column; gap: 10px;"> <div style="background-color: red; color: white; padding: 5px; border-radius: 5px;"><b>Major &amp; Likely:</b></div> <ul style="list-style-type: none"> <li>Issues in communicating Project Updates to the wider team/Keeping Staff Informed. Mitigated through using various channels of communication other than email.</li> </ul> <div style="background-color: orange; color: white; padding: 5px; border-radius: 5px;"><b>Moderate &amp; Likely:</b></div> <ul style="list-style-type: none"> <li>Lack of fit-for-purpose facilities at Depots for Works team e.g. toilets/showers/hot water. Mitigated in project plan.</li> </ul> <div style="background-color: red; color: white; padding: 5px; border-radius: 5px;"><b>Major &amp; Likely:</b></div> <ul style="list-style-type: none"> <li>Disruption of work for staff while renovations occur. Mitigated through hire of Portacoms for staff to base out of for the duration of works.</li> </ul> </div>																		
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<p>Paeroa Depot:</p> <ul style="list-style-type: none"> <li>Looking into re-roofing Paeroa Depot before financial year end.</li> <li>Formalise Project Plan.</li> </ul> <p>Ngātea Depot:-</p> <ul style="list-style-type: none"> <li>Move ahead with ordering Chemical Store containers from Quinn Engineering.</li> <li>Schedule Gate Automation.</li> <li>Speak with Architect regarding Toilet Block Remodel.</li> <li>Organise the Transportation of the old depot barn building off site.</li> </ul>	<p style="text-align: center;">Cumulative Project Spend; Budget versus Forecast / Actual</p> 																			



## 9 PROJECT STATUS REPORT – 1285\_001 NGĀTEA SOUTHERN ESTATE SUBDIVISION

### 17. SUMMARY | 18. PROJECT PROGRESS INDICATORS | 19. ACHIEVEMENTS / WINS

**Programme Activity:** Residential Subdivision  
**Project location:** Ngātea  
**Capital Project:** Yes

**Project Description:**  
 Hauraki District Council plans to develop a subdivision in Ngātea south called the Ngātea Southern Estate.

This subdivision is on 15 ha of land and it is proposed to be developed in residential lots in 2/3 phases. 60% of the 15 ha land will be parcels with the likelihood of getting 140 to 150 lots.

The project is likely to be completed in 2027/28.

KEY: Not on Track / Major Issues Not on Track, but plan in place Achieved / On Track

➔ A Point to Note / Escalate

Measure:	Status:	Note against Baseline:
Time:	Start up	
Scope:	Consents	
Cost:	\$200,000.00	
State Date:	Sep 2023	
Projected End Date:	Sep 2024	

- Including Innovation, Savings and Carbon Commentary*
- Innovation, Savings and Carbon Commentary**
- Geotechnical investigation of the site was completed in December 2022.
  - Concept plan for the subdivision has been completed and approved by the HDC.
  - Based on the concept plan, consultants have been contracted to process the Resource Consent and the SW consent for the subdivision.
  - Plan is to get all the relevant consents for this project by the end of 2024.

### 20. TIMELINE | 21. KEY ISSUES | 22. MAJOR RISKS & MITIGATIONS

- Based on the concept plan, consultants have been contracted to process the Resource Consent and the SW consent for the subdivision.
- Plan is to get all the relevant consents for this project by October 2024.

*Including Health and Safety, number of site visits and audits undertaken*

**Health and Safety:**



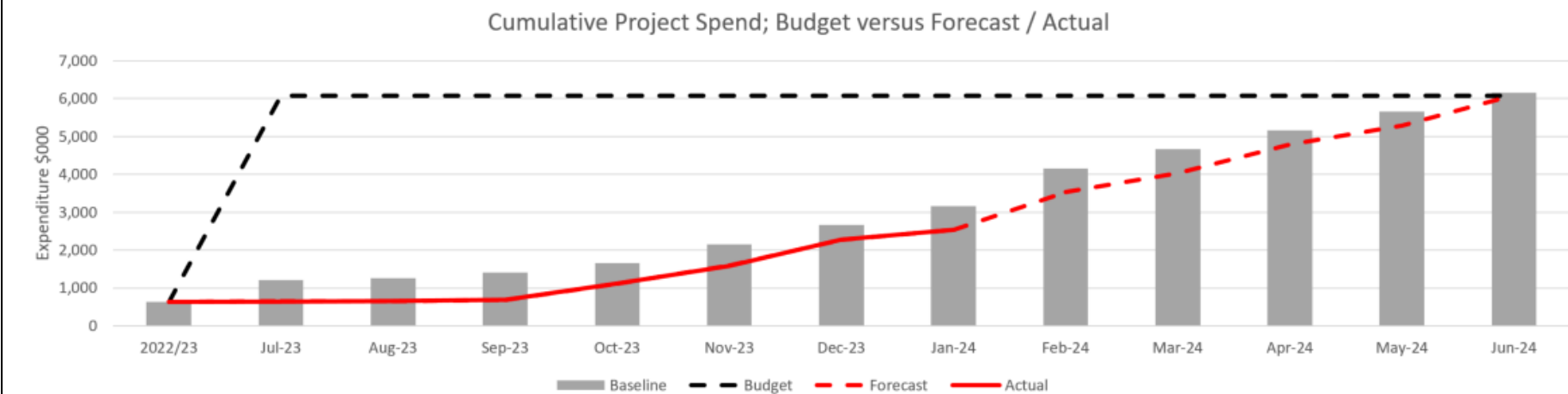
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**Moderate & Likely:**

- Getting the SW consent is going to be a challenge as indicated by WRC during interaction with them on the subject.

### 23. KEY ACTIONS / DECISIONS / NEXT STEPS | 24. FINANCIAL FORECAST

- Consultants have been contracted to process the SW, Resource Consent including the subdivision consent for the project.



## Matters to be taken with the Public Excluded

confidential pages 113-154 have been removed